

MINUTES OF THE SPECIAL COUNCIL MEETING OF WITZENBERG MUNICIPALITY, HELD IN THE COUNCIL CHAMBERS, MUNICIPAL OFFICES, 50 VOORTREKKER STREET, CERES ON FRIDAY, 23 AUGUST 2019 AT 08:00

PRESENT

Councillors

Aldermen TT Godden (Speaker)
Councillor BC Klaasen (Executive Mayor)
Councillor TE Abrahams
Alderman K Adams (Deputy Executive Mayor)
Councillor P Daniels
Councillor P Heradien
Councillor MD Jacobs
Councillor TP Mgoboza (From 08:50)
Councillor ZS Mzauziwa-Mdishwa
Councillor MJ Ndaba
Councillor N Phatsoane
Alderlady JT Phungula
Alderman JW Schuurman
Councillor EM Sidego
Alderman HJ Smit
Councillor D Swart
Alderman JJ Visagie

Officials

Mr D Nasson (Municipal Manager)
Mr J Barnard (Director: Technical Services)
Mr A Raubenheimer (Acting Director: Finance)
Mr G Louw (Head: Internal Audit)
Ms L Nieuwenhuis (Legal Advisor)
Mr A Hofmeester (IDP Manager)
Mr CG Wessels (Manager: Administration)
Mr C Titus (Committee Clerk)
Ms MJ Prins (Acting Principal Administrative Officer)
Ms M Badela (Interpreter)

1. OPENING AND WELCOME

The Speaker welcomed everyone present after which he requested Alderman JW Schuurman to open the meeting with a prayer.

NOTED

2. LEAVE OF ABSENCE AND CONFIDENTIALITY AND CONFLICT OF INTEREST DECLARATION

**2.1 Consideration of application for leave of absence, if any
(3/1/2/1)**

Applications for leave of absence from the meeting were received from Councillors M Mdala (ANC), RJ Simpson (ANC), HF Visagie (ANC), D Kinnear (DA) and C Lottering (DA).

An apology for absence from the meeting was received from the Director: Corporate Services.

UNANIMOUSLY RESOLVED

(a) *that the applications for leave of absence from the meeting, received from Councillors M Mdala (ANC), RJ Simpson (ANC), HF Visagie (ANC), D Kinnear (DA) and C Lottering (DA), be approved and accepted.*

(b) *that notice be taken of the apology for absence from the meeting, received from the Director: Corporate Services.*

2.2 Confidentiality and Conflict of Interest Declaration

The Confidentiality and Conflict of Interest Declaration was signed by all Councillors.

NOTED

3. STATEMENTS, ANNOUNCEMENTS OR MATTERS RAISED

**3.1 Matters raised by the Speaker
(09/1/1)**

None

NOTED

**3.2 Matters raised by the Executive Mayor
(09/1/1)**

(a) The Executive Mayor welcomed Alderlady J Phungula back after her sick leave.

(b) The Executive Mayor expressed condolences to Councillor C Lottering and his family with the passing of his mother-in-law.

(c) The Executive Mayor referred to two new legislations, i.e. AARTO and Debt Relief, signed by the State President and which will impact on the municipality.

- (d) The Executive Mayor mentioned that Witzenberg Tourism is arranging an event for the 50th commemoration of the 1969 earthquake. Council will be updated on the matter and further discussions will follow.

NOTED

4. RESERVED POWERS

4.1 3rd Review IDP and Budget Process Plan for 2020/2021 and Spatial Development Framework Time Schedule (02/02/1)

Item 4.1 of the Special Executive Mayoral Committee meeting, held on 21 August 2019, refers.

In terms of Section 28 of the Municipal Systems Act (Act 32 of 2000), Council must adopt an IDP and Budget Process Plan. The Municipal Finance Management Act (Act 56 of 2003) further stipulates that at least ten months before the start of the budget year, the Executive Mayor should table a time schedule outlining key deadlines in respect of the IDP/Budgetary process.

Section 29 of the Municipal Systems Act (Act 32 of 2000), specifies that such a Process Plan must include:

- Programs that set out timeframes for the different planning steps;
- Appropriate mechanisms, processes and procedures for consultation with:
 - Local communities, both in terms of needs and priorities as well as consultation during development;
 - Organs of state, traditional authorities, and other role-players in the drafting process; and
- Binding plans and planning requirements, i.e. policy and legislation.

National Treasury has provided further guidance by the issuing of MFMA Circular 10. That circular provides specific guidance with regard to six distinct steps in compilation of the IDP and the annual Budget. The table below highlights these steps, with a brief description of each step:

Steps	Process
1 Planning	Schedule dates, establish consultation forums, review previous processes
2 Strategizing	Review IDP, set service delivery objectives for next 3 years, consult on tariffs, indigents, credit control, free basic services etc. and consider local, provincial and national issues, the previous year's performance and current economic and demographic trends etc.
3 Preparing	Prepare Budget, revenue and expenditure projections; draft Budget policies; consult and consider local, provincial and national priorities
4 Tabling	Table draft Budget, draft IDP and budget related policies before Council; consult and consider local, provincial and national inputs or responses
5 Approving	Council approves the IDP, the Budget and related policies
6 Finalising	Publish the IDP, Budget and approve the SDBIP and performance targets

In capturing the above steps, this IDP & Budget Process Plan seeks to address, *inter alia*, the:

- Identification of areas requiring additional attention in terms of legislative requirements, proper planning processes and sound financial management;
- Inclusion of the most current Census and own statistical data;
- Consideration and review of any other relevant and new information;
- Addressing comments received from the various role-players;
- Factor-in the shortcomings and weaknesses identified through self-assessment;
- Preparation and review of sector plans and its alignment with the IDP;
- Preparation and review of the Performance Management System (PMS);
- Updating of the 5-year Financial Plan; and
- Finalisation of the annual Budget and IDP in terms of the relevant legislation.

Pursuant to the above statutory requirements, the Process Plan for the 2020/2021 3rd Review IDP and Budget cycle as well as the Time Schedule for the Review of the Spatial Development Framework is attached as **annexure 4.1**.

The Executive Mayoral Committee resolved on 21 August 2019:

That the Executive Mayoral Committee recommends to Council:

- (a) That the 3rd Review IDP and Budget Process Plan for 2020/2021 and the Reviewed Spatial Development Framework be approved.
- (b) That in the event of any changes with regard to the dates of the Process Plan and Spatial Development Framework Time Schedule, the Municipal Manager be mandated to change same after consultation with the Executive Mayor.

UNANIMOUSLY RESOLVED

- (a) *that the 3rd Review IDP and Budget Process Plan for 2020/2021 and the Reviewed Spatial Development Framework be approved.*
- (b) *that in the event of any changes with regard to the dates of the Process Plan and Spatial Development Framework Time Schedule, the Municipal Manager be mandated to change same after consultation with the Executive Mayor.*

4.2 Finance: Adjustment budget 2019/2020 (5/1/1/18)

Item 4.2 of the Special Executive Mayoral Committee meeting, held on 21 August 2019, refers.

The following documents are attached:

- (a) Memorandum from Acting Director: Finance, dated 16 August 2019: **Annexure 4.2(a)**.
- (b) Adjustment budget 2019/2020 to 2021/2022: **Annexure 4.2(b)**.

The Acting Chief Financial Officer submitted the Draft Adjustment Budget 2019/2020 and the following were highlighted:

- that the monies allocated by Cape Winelands District Municipality for the Tourism Route Development, which amount to R100 000-00, be included in the adjustment budget for 2019/2020.
- that the matter regarding the air-conditioners in the Ceres Town Hall be revisited due to capital constraints.
- that the Executive Mayor will attend to the matter of the new council chambers at the John Steyn Library, Ceres with the Provincial Department to finalise matters.

The Executive Mayoral Committee resolved on 21 August 2019:

That the Executive Mayoral Committee recommends to Council:

- (a) that the monies allocated by Cape Winelands District Municipality for the Tourism Route Development, which amount to R100 000-00, be included in the adjustment budget for 2019/2020.
- (b) that the adjustment budget of Witzenberg Municipality for the financial year 2019/2020 as set out in the budget documents be approved:
 - (i) Table B1 - Budget summary;
 - (ii) Table B2 - Adjustment Budget Financial Performance (by standard classification);
 - (iii) Table B3 - Budgeted Financial Performance (Revenue and Expenditure) by Vote;
 - (iv) Table B4- Adjustment Budget Financial Performance (revenue by source);
 - (v) Table B5 - Budgeted Capital Expenditure by Vote, standard classification and funding.

UNANIMOUSLY RESOLVED

- (a) *that the monies allocated by Cape Winelands District Municipality for the Tourism Route Development, which amount to R100 000-00, be included in the adjustment budget for 2019/2020.*
- (b) *that the adjustment budget of Witzenberg Municipality for the financial year 2019/2020 as set out in the budget documents be approved:*
 - (i) *Table B1 - Budget summary;*
 - (ii) *Table B2 - Adjustment Budget Financial Performance (by standard classification);*
 - (iii) *Table B3 - Budgeted Financial Performance (Revenue and Expenditure) by Vote;*
 - (iv) *Table B4- Adjustment Budget Financial Performance (revenue by source);*

- (v) *Table B5 - Budgeted Capital Expenditure by Vote, standard classification and funding.*

**4.3 Witzenberg Municipality Firearm Policy
(17/7/1/P)**

Item 4.3 of the Special Executive Mayoral Committee meeting, held on 21 August 2019, refers.

The following documents are attached:

- (a) Memorandum from Manager: Traffic Services, dated 2 April 2019: **Annexure 4.3(a)**.
(b) Firearm Policy: **Annexure 4.3(b)**.

The Firearm Policy was workshopped by Council to be approved and accepted.

The Executive Mayoral Committee resolved on 21 August 2019:

That the Executive Mayoral Committee recommends to Council:

that the Firearm Policy for Witzenberg Municipality be approved and accepted.

The meeting decided that the following amendments be made to the Witzenberg Municipality Firearm Policy:

- (a) Clause 2.3.2: Shooting – officer involved.
- (b) That the following bullets be amended as follows:
- *Will notify his supervisor.... to read shall notify....*
 - *Will render..... to read shall render.....*
 - *Will not take an active part to read shall not take*
 - *Will submit a Use of Firearms Report to read shall submit.....*
 - *Will secure the scene to read shall secure.....*
 - *Will check for injuries to read shall check for*
 - *Will ensure that the supervisor to read shall ensure that*
 - *Will assist investigating officials to read shall assist*
 - *Will notify ICD to investigate to read shall notify*
 - *Will notify the Duty Officer ... to read ... shall notify.....*
 - *Will ensure that the Operational Head is notified to read shall ensure ...*
 - *Will ensure that the Chief has been informed to read shall ensure ...*
 - *Will inform the Chief..... to read shall inform*
 - *Will ensure that the SAPS/ICD to read shall ensure*
 - *Will ensure that an ambulance..... to read shall ensure*

UNANIMOUSLY RESOLVED

that the Firearm Policy for Witzenberg Municipality be approved and accepted, taking into account the amendments as proposed.

4.4 Settling of Rand Merchant Bank (RMB) loan for Koekedouw Dam (16/2/1/1/1 & 5/4/R)

The following items refer:

- (a) Item 7.1.3 of the Executive Mayoral Committee meeting, held on 27 May 2019.
- (b) Item 8.1.3 of the Council meeting, held on 30 May 2019.
- (c) Item 7.1.2 of the Executive Mayoral Committee meeting, held on 29 July 2019.
- (d) Item 8.1.2 of the Council meeting, held on 31 July 2019.
- (e) Item 4.4 of the Special Executive Mayoral Committee meeting, held on 21 August 2019.

The following memorandum, dated 20 May 2019, was received from the Manager: Water and Sewerage:

“Purpose

The purpose of this report is to inform Council regarding the settling option of the Rand Merchant Bank loan which was taken up by KBR (Koekedouw Irrigation Board) for the construction of the Koekedouw Dam.

Background

The Koekedouw Dam was constructed in 1999 as a joint venture between Witzenberg Municipality and the Koekedouw Irrigation Board. Both parties to this venture incurred loans to pay for their share of the construction cost. The loan taken up by Witzenberg Municipality has been settled in 2017.

Currently KBR is still paying off on their loan and Witzenberg Municipality is part of this repayment agreement in terms of our allocation for Vredebes farm. See **annexure 4.4(a)**.

The KBR management has met with RMB in order to negotiate a new financing model in order to settle the loan and minimize cost. The new financing model agreed to between the parties, and approved by KBR, is attached as **annexure 4.4(b)**.

This new option entails the settling of the loan once-off in order to cut out huge interest on the loan. As can be seen on the attached spreadsheet if we stay with the old financing model, KBR will make a total repayment of R348 628 396 on the initial loan. Currently the outstanding amount is R54 687 042.00, but this amount will escalate to R78 944 608.00 before it starts to decrease and eventually be settled in 2044. With the new financing model total repayment will be R83 152 706.00 resulting in a total saving of R265 475 690.00.

Legal framework

Because Witzenberg Municipality is part of KBR in terms of our allocation for Vredebes, we are also liable for the repayment of our portion of the loan from Rand Merchant Bank.

Financial impact

With the new financing model we will have a huge saving on the repayment of the loan. In terms of the old financing model we will be responsible for repayment of R4 052 646.00 whereas with the new financing model we will make a once-off payment of R889 891.98 to settle the loan, resulting in a saving of R3 162 754.02.”

The Municipal Manager gave a background with regard to the matter of settling the Rand Merchant Bank (RMB) loan for the Koekedouw Dam. Further investigation in terms of the agreement will be done. This matter only recently arose and the loan was done before the purchase of Vredebes. The water rights were part of the agreement.

The following recommendation was tabled to the Executive Mayoral Committee:

That the Executive Mayoral Committee recommends to Council:

- (a) that Council approves the new financing model option.
- (b) That Witzenberg Municipality settles their portion of the loan with a once-off payment.

The Executive Mayoral Committee resolved on 27 May 2019:

That the Executive Mayoral Committee recommends to Council:

that the matter in respect of the settling of the Rand Merchant Bank loan for the Koekedouw Dam be held in abeyance until the matter has been properly investigated.

Councillor BC Klaasen mentioned that the outstanding arrear amount is based on calculations made by the Koekedouw Irrigation Board and that further investigations are necessary.

Council unanimously resolved on 30 May 2019 that the matter in respect of the settling of the Rand Merchant Bank loan for the Koekedouw Dam be held in abeyance until the matter has been properly investigated.

Further report from Municipal Manager, dated 24 July 2019:

“Since the last Executive Mayoral Committee and council meetings Administration has attempted to obtain written agreements of Council’s financial commitment towards the Koekedouw Irrigation Board. The Deed of Sale does not make mention of any such financial commitment towards the Board nor the Title Deed. The Title Deed reflects the water right that is registered and which is inherent to the farm. A meeting was requested with the Chairperson of the Irrigation Board, Mr Danie Goosen, which took place on 2 July 2019.

A summary of the meeting is contained in the email sent by Mr Goosen to the Municipal Manager’s office, dated 2 July 2019 and is attached as **annexure 4.4(c)**. In terms of the discussion the Koekedouw Irrigation Board took up a loan with the Rand Merchant Bank on behalf of its members. The accountability of the members was pro rata with the water rights of their respective farms. All the members at that time agreed to the conditions which was later on also accepted by the municipality when Vredebes was purchased. The Irrigation Board used to send an invoice to its members on a yearly basis, which included the municipality and in terms of which they then were obliged to settle. The municipality has been paying regularly on an annual basis since they acquired the farm. The invoice was normally divided into an operational and capital contribution. In terms of the Irrigation Board’s members meeting resolution taken, the members accepted the settlement as previously outlined. On the date of the discussion all the members have paid their contribution of the settlement towards the Rand Merchant Bank loan except for the municipality. The Koekedouw Irrigation Board went ahead to pay on the municipality’s behalf, because of their commitment and legal obligation and has requested that the municipality repays the amount to them. The crux of the discussion is that the liability of the municipality is coupled to the water rights inherent to the property.

The Municipal Manager informed the meeting that he had consulted with the Chairperson of the Koekedouw Irrigation Board, Mr Danie Goosen, regarding the matter. The explanation from the Chairperson sounds acceptable, but he is awaiting documentation about the matter to submit to Council for consideration.

The following recommendation was tabled to the Executive Mayoral Committee:

That the Executive Mayoral Committee recommends to Council:

- (a) that Council approves the new financing model option.
- (b) that Witzenberg Municipality settles their portion of the loan with a once-off payment.

The Executive Mayoral Committee resolved on 29 July 2019:

That the Executive Mayoral Committee recommends to Council:

that the matter in respect of the Rand Merchant Bank (RMB) loan for the Koekedouw Irrigation Board be held in abeyance for further discussion by Council.

Council unanimously resolved on 31 July 2019 that the matter in respect of the Rand Merchant Bank (RMB) loan for the Koekedouw Irrigation Board be held in abeyance for further discussion by Council and to obtain more information.

The following documents are further attached:

- (a) Correspondence from Koekedouw Irrigation Board, dated 13 March 2019: **Annexure 4.4(d)**.
- (b) Letter from Grayston & Elliot, dated 13 March 2019: **Annexure 4.4(e)**.

The following recommendation was tabled to the Executive Mayoral Committee:

That the Executive Mayoral Committee recommends to Council:

- (a) that Council approves the new financing model option.
- (b) That Witzenberg Municipality settles their portion of the loan with a once-off payment.

The Executive Mayoral Committee resolved on 21 August 2019:

That the Executive Mayoral Committee recommends to Council:

that the matter in respect of the Rand Merchant Bank (RMB) loan for the Koekedouw Dam be referred to the Municipal Public Accounts Committee for an investigation and further discussions with the Chairperson of the Koekedouw Irrigation Board and after that a recommendation be made to Council.

UNANIMOUSLY RESOLVED

that the matter in respect of the Rand Merchant Bank (RMB) loan for the Koekedouw Dam be referred to the Municipal Public Accounts Committee for an investigation and further discussions with the Chairperson of the Koekedouw Irrigation Board and after that a recommendation be made to Council.

4.5 Project: Installation of CCTV cameras along Voortrekker Road, Vos Street, the R46 (Ceres to Nduli), Ceres as well as Voortrekker and Olienhout Streets in Prince Alfred's Hamlet (17/7/5)

The following items refer:

- (a) Item 7.3.5 of the Executive Mayoral Committee meeting, held on 27 May 2019.
- (b) Item 8.3.5 of the Council meeting, held on 30 May 2019.
- (c) Item 7.3.4 of the Executive Mayoral Committee meeting held on 29 July 2019.
- (d) Item 8.3.4 of the Council meeting, held on 31 July 2019.
- (e) Item 4.5 of the Special Executive Mayoral Committee meeting, held on 21 August 2019.

The following documents are attached:

- (a) Memorandum from Municipal Manager, dated 22 May 2019: **Annexure 4.5(a)**.
- (b) Map of route identified: **Annexure 4.5(b)**.

The Executive Mayoral Committee resolved on 27 May 2019:

That the Executive Mayoral Committee recommends to Council:

- (a) that Tulbagh and Wolseley be included in the project in respect of the installation of CCTV cameras in Ceres, Nduli and Prince Alfred's Hamlet.
- (b) that the matter in respect of the installation of CCTV cameras be held in abeyance until the next meeting.

Council unanimously resolved on 30 May 2019:

- (a) that Tulbagh and Wolseley be included in the project in respect of the installation of CCTV cameras in Ceres, Nduli and Prince Alfred's Hamlet.
- (b) that the matter in respect of the installation of CCTV cameras be held in abeyance until the next meeting.

The Executive Mayoral Committee resolved on 29 July 2019:

That the Executive Mayoral Committee recommends to Council:

that the matter in respect of the installation of CCTV cameras along Voortrekker Road, Vos Street, the R46 (Ceres to Nduli), Ceres as well as Voortrekker and Olienhout Streets in Prince Alfred's Hamlet be held in abeyance until the next meeting.

Council unanimously resolved on 31 July 2019:

- (a) that the safety plans of the Cape Winelands District Municipality be incorporated in the Witzenberg Municipality plans.
- (b) that the matter in respect of the installation of CCTV cameras along Voortrekker Road, Vos Street, the R46 (Ceres to Nduli), Ceres as well as Voortrekker and Olienhout Streets in Prince Alfred's Hamlet be held in abeyance until the next meeting.

The Executive Mayoral Committee resolved on 21 August 2019

That the Executive Mayoral Committee recommends to Council:

that CCTV cameras be installed along Voortrekker Road, Vos Street, the R46 (Ceres to Nduli), Ceres as well as Voortrekker and Oliehouth Streets in Prince Alfred's Hamlet

UNANIMOUSLY RESOLVED

that CCTV cameras be installed along Voortrekker Road, Vos Street, the R46 (Ceres to Nduli), Ceres as well as Voortrekker and Oliehouth Streets in Prince Alfred's Hamlet in accordance with annexure 4.5(b).

5. ADJOURNMENT

The meeting adjourned at 09:05.

Approved on _____ with / without amendments.

ALDERMAN TT GODDEN
SPEAKER

MJ Prins