KOUGA
local municipality
Good Governance through Service Excellence

SPECIAL COUNCIL MEETING AGENDA

Date : 15 August 2019
Time : 09:00
Venue : Kouga Council Chamber (Jeffreys Bay Unit)

KOUGA MUNICIPALITY (EC108)	UMASIPALA I-KOUGA (EC108)	MUNISIPALITEIT KOUGA (OK108)
NOTICE CONVENING A MEETING	**ISAZISO NGENTLANGANISO**	**KENNISGEWING VAN VERGADERING**
NOTICE IS HEREBY GIVEN that an Special Council Meeting will be held in the in the **Kouga Council Chambers, (Jeffreys Bay Unit** on	**OKU KUKWAZISA OKOKUBA** intlanganiso yesiquphe ye-khansile iyakube ibanjelwe **e-Kouga Council Chambers, (Jeffreys Bay Unit)**	**KENNIS GESKIED HIERMEE** dat 'n Spesiale Raadsvergadering in die **Kouga Raadsaal, (Jeffreys-baai Eenheid)** gehou sal word op
DATE: 15 August 2019	**UMHLA: 15 EyeThupha 2019**	**DATUM: 15 Augustus 2019**
TIME: 09:00	**IXESHA: 09:00**	**TYD: 09:00**
H. BORNMAN **SPEAKER**	**H. BORNMAN** **USOMLOMO**	**H. BORNMAN** **WOORDVOERDER**

A G E N D A

1. **NOTICE OF MEETING**
2. **OPENING AND WELCOME**
3. **ABSENT WITH APOLOGY**
4. **ABSENT WITHOUT APOLOGY**
5. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**
6. **STATEMENTS OR COMMUNICATIONS BY THE SPEAKER**
7. **STATEMENTS OR COMMUNICATIONS BY THE EXECUTIVE MAYOR**
8. **DECLARATION OF INTEREST**
9. **STATUTORY MATTERS**
10. **MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR**

(The reports by the Executive Mayor, in terms of the provisions of Section 63 of the Local Government Municipal Systems Act, 32 of 2000, on matters dealt with by the Executive Mayor in terms of delegated authority as detailed in the Minutes to be noted).

11. **REPORTS BY THE EXECUTIVE MAYOR**

12. **REPORTS BY THE PORTFOLIO CHAIRPERSONS**

12.1 **REPORTS BY THE PORTFOLIO CHAIRPERSON: FINANCE**

19/08/F1 Amendments To The 2019/20 Budget – Approval Of Unspent Funds As At 30 June 2019

Pages 8-10

12.2 **REPORTS BY THE PORTFOLIO CHAIRPERSON: CORPORATE SERVICES**

19/08/CORP1 Amendments to the 2019/20 Budget – Approval Of Unforeseen Roll-Overs

Pages 12-17

19/08/CORP2 Stipend Increase – Ward Committee Members

Pages 18-19

12.3 **REPORTS BY THE PORTFOLIO CHAIRPERSON: INFRASTRUCTURE & ENGINEERING**

19/08/I&E1 Amendments to the 2019/20 Budget – Approval Of Unspent Funds as at 30 June 2019

Pages 21-24

12.4 **REPORTS BY THE PORTFOLIO CHAIRPERSON: COMMUNITY SERVICES**

19/08/CS1 Amendments to the 2019/20 Budget – Approval Of Unspent Funds as at 30 June 2019

Pages 26-28

12.5 **REPORTS BY THE PORTFOLIO CHAIRPERSON: PLANNING & DEVELOPMENT**

19/08/PD1 Approval of Virements on the 2019/20 Operating Budget

Pages 30-31

11. **CLOSURE**

Distribution list:

Executive Mayor
Speaker
All Councillors
Municipal Manager
All Directors
Relevant Managers
Committee Services

MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR

REPORTS BY THE EXECUTIVE MAYOR

REPORTS BY THE PORTFOLIO CHAIRPERSON: FINANCE

KOUGA MUNICIPALITY (EC 108)

SPECIAL COUNCIL MEETING

FINANCE

DATE: 15 AUGUST 2019 **ITEM NO: 19/08/F1**

AMENDMENTS TO THE 2019/20 BUDGET – APPROVAL OF UNSPENT FUNDS AS AT 30 JUNE 2019

1. Introduction

The purpose of this item is to seek Council approval to include unspent funds on the 2018/19 Adjustments budget, in the approved 2019/20 Budget.

2. Background

In accordance with Section 28(2)(e) of the Municipal Finance Management Act, Council 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.

On 28 February 2019, Council approved the 2018/19 Adjustments Budget, which included the following capital projects:

Projects	Vote number	2018/19 Adjustments Budget
Disaster Recovery Server	20190313065619	R 644,106
Office upgrade ICT	20180126051263	R 200,000
Supply and Delivery of Dot Matrix printer	20170712043787	R 280,000
Supply and Delivery of New LDV	20190307104328	R 300,000

ICT Office Upgrade:

RFQ - N16/2019 was advertised on 04 February 2019 and closed on 19 February 2019. Two compulsory site meetings were held on the 11 and 12 February 2019. An appointment letter was issued on 17 April 2019. The construction period is 3 months. The contractor commenced work on 1 July 2019.

Disaster Recovery Server:

Tender notice 46/2019 was cancelled due to no responsive bids being received. A revised tender process will commence shortly.

Procurement of Dot matrix printer for Revenue Section:

RFQ – N73/2018 was advertised on 10 May and closed on 22 May 2019.
No bids were received for this item.

Supply and Delivery of New LDV for Revenue Section:

Tender Notice 81/2019 closed on 1 July 2019. Budget was approved as part of the 2018/19 Adjustments Budget.

The projects were underspent as follows:

Projects	Vote Number	2018/19 Adjustments Budget	Unspent as at 30 June 2019
Disaster Recovery Server	20190313065619	R 644,106	R 644,106
Office upgrade ICT	20180126051263	R 200,000	R 153,949.84
Supply and Delivery of Dot Matrix printer	20170712043787	R 280,000	R 197,489
Supply and Delivery of New LDV	20190307104328	R 300,000	R 300,000

3. Financial Implications

In view of the aforementioned, the following amendments are proposed:

Projects	Vote Number	
Disaster Recovery Server	20190313065619	Provide R 644,106
Office upgrade ICT	20180126051263	Provide R 153,949.84
Supply and Delivery of Dot Matrix printer	20170712043787	Provide R 197,489
Supply and Delivery of New LDV	20190307104328	Provide R 300,000

4. Recommendation

4.1 That the Executive Mayor recommends that the Council, by resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 28 of the Local Government: Finance Management Act, Act 56 of 2003, approves the following proposed amendments to the 2019/20 Budget.

Projects	**Vote Number**	
Disaster Recovery Server	20190313065619	Provide R 644,106
Office upgrade ICT	20180126051263	Provide R 153,949.84
Supply and Delivery of Dot Matrix printer	20170712043787	Provide R 197,489
Supply and Delivery of New LDV	20190307104328	Provide R 300,000

Item prepared: Acting Manager ICT

Item approved by: Chief Financial Officer

Noted by: Portfolio Councillor:

12/8/2019

12/8/2019

REPORTS BY THE PORTFOLIO CHAIRPERSON: CORPORATE SERVICES

KOUGA MUNICIPALITY (EC108)

SPECIAL COUNCIL MEETING

CORPORATE SERVICES

DATE: 15 AUGUST 2019 **ITEM NO: 19/08/CORP1**

ROLL OVER CORPORATE SERVICES - 2018/2019

1. Introduction

The purpose of this item is to seek approval for the unanticipated 2018/19 unspent budget on the following projects to be rolled over to the 2019/20 budget as approved by Council on

- Computer equipment
- Furniture & Equipment
- Library Upgrade
- Biometric System
- Fencing of the main building
- Main office building upgrade
- Computer software & allocations
- Ward Development Fund
- EDMS

In accordance with the MFMA, Section 28(2)(e), Council may authorize 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.

2. Background

Council approved the 2018/19 Adjustments Budget and the aforementioned Capital projects were approved by Council as follows:

VOTE NO	PROJECT	2018/19 BUDGET
20170712043568	Buildings	300,000.00
20170712043700	Furniture and Equipment	609395
20170712043739	Furniture and Equipment	129388
20170712043763	Computer Equipment	208543
20180702070138	Computer Software and Applications	63089
20180702070201	Library upgrade	1,321,134.00
20190307104307	EDMS	670,494.00
20190307104319	Fencing of main building	120,000.00
20190313065607	Biometric Systems	120,000.00

The aforementioned projects were under-spent for various reasons, such as delays in the appointment of contractors, drafting/ approval of service level agreements, finalizing specifications, non-compliant bidders and re-advertising of Tenders.

Buildings – 20170712043568

As the preliminary quotations indicated that R120 000 for the fencing of the main building is not enough, the amount of R 20,489.43 in this vote was earmarked to be added to vote no 20190307104319 to execute the fencing project for the 2019/20 financial year. Due to problems with the fencing tender. as explained in point 2.6 below, these funds remained unspent. Security concerns make it critical for fencing to be finalized and these funds are needed to top up the budget, in order to execute the fencing.

Furniture and Equipment - 20170712043700 & 20170712043739

Requisition No. 99477 was completed on the 5 June 2019 and an Order was not received in the week of 22-26 June. The Supplier, however advised that he could not supply before the cut-off date i.e. before the end of the financial year as he was awaiting stock. Delivery of the order is awaited.
The combined R 166571.91 is being utilized for furniture for the training Centre and boardrooms at the Woltemade St building.

Computer Equipment - 20170712043763

Corporate Services ordered HP laptops to be upgraded with higher specifications as the memory and speed of the current laptops are not sufficient for the processing of large documents the Department generally work with. However, the provider delivered the usual Acer laptops which were not according to upgraded specifications. The Municipality has also experienced numerous problems with the Acer laptops and a meeting was held with the Service provider. In the meeting it was decided that the Municipality will proceed to purchase the Acer laptops, but it would be allocated to other departments who did not need the upgrade. It was further resolved that the R140,581.93 on the Computer equipment vote of Corporate Services that was used to pay for Acer the laptops must be internally refunded to Corporate Services and new HP laptops will be ordered for Corporate Services that must be paid from these funds. Present at the meeting was the MM, Shukree Abrahams, Lee-Ann Opperman, Hannelie Hammes, Allister Makomo and Graham Nosworthy.

Library upgrade - 20180702070201

The remaining R 356 688.91will be utilized for Structural repairs to the HR office wall as per structural engineer's report and risk assessment and partitioning for the new layout at the Woltemade St Building. The Structural Engineer commenced with his assessment in the previous financial year and only finalized his report in this financial year.

With regards to partitioning for Woltemade, the assessment by the architect started in the old Financial year and portioning is part of the implementation plan in this financial year.

EDMS – 20190307104307

A Tender Notice: 95/2018 was put out for a Document Management System and Document Imaging and Storage. The component for the document management system came in over budget and the tender was cancelled. As it was clear that there were not enough funds available for the Document Management System and the Imaging and Storage of documents, it was decided to split the Tender and the Department went out on Tender for the Document Imaging & Storage component. The tender was awarded. Before the department could put out another Tender for the Document Management system, R 600 000 was taken from this vote during the Adjustment Budget process and reallocated for the Mayor's clean-up campaign. This amount was refunded in the 2019/20 budget and will be utilized for the Document Management module on the SAP system or a SAP compatible system

Fencing of the main building – 20190307104319

It was indicated by BSC that a fencing Tender was in the process of being evaluated and awarded by the Bid committees and that the Department could make use of this tender for the fencing of the Main building. It turned out that the specifications of the fence was not desirable for the purposes of fencing the main building. A concrete palisade fencing Tender (Notice 11/2019) was awarded on 12 June 2019 and an order has been placed for the fencing of the main building. The unspent R120,000.00 will be utilized for this purpose. As mentioned in point 2.1 above, the fencing of the back of the main building is critical as several air conditioner inverters have been stolen and fibre network cables were cut.

Biometric System - 20190313065607

In the Adjustment budget funds from this vote were reallocated to other needs of the Municipality and R120 000 was left in this vote. During the due diligence process, it became clear that the funds were not enough to cover the cost should the Municipality go out on Tender. The tender process was delayed coinciding with the budget of the 2019-20 financial year as another R120 000 was allocated for this project during the new financial year. The combined amount of R240 000 will be utilized to implement Tender Notice 75/2019 that closed on 13 June 2019. The Tender is currently in the evaluation process at BEC.

Ward Development Fund – 20180308055779

The funds left in this vote will be used for execution of various Ward projects. Projects of a capital nature invariably are more than the initial budget allocation of R50000. The unspent funds will be used to top up the unspent capital funds in the 19/20 financial year.

Below are examples of projects that commenced in the 18/19 FY.

- **<u>Lelopart – Soup Kitchen Container – Ward 15</u>**

The Tender closed 14 June 2019 and the report was completed on 19 June 2019.A requisition was issued on 19 June 2019. The Tender purchase order was only received on 26 June 2019.

- **Rhode Bros Steel – Play park equipment – Ward 7**

  The Tender closed 11 June 2019 and the report was completed on 13 June 2019. Email was sent to bidders to confirm special conditions on 13 June 2019 and the deadline for response was 17 June 2019. The requisition was issued on 21 June 2019. Tender purchase order was only received on 27 June 2019.

- **Echo Elektries – Flood Lights – Ward 1** –

  Order cancelled. Theo Madatt received the invoice and has confirmed that he submitted the invoice. The requisition must be re-issued as the invoice was not received by Expenditure.

  The Capital portion of the unspent funds in the Ward Development Fund is R1,067,694.70. Some Councillors have projects which cost more than their allocation for the financial year and the roll over funds will enable thee procurement of goods and services in the 2019/20 financial year that falls in this category.

The projects were underspent as follows:

VOTE NO	PROJECT	2018/19 ADJUSTMENT BUDGET	TOTAL ACTUALS AS AT 17 JULY 2019
20170712043568	Buildings	26764.57	20,489.43
20170712043700	Furniture and Equipment	568,874.35	40,520.65
20170712043739	Furniture and Equipment	3,336.74	126051.26
20170712043763	Computer Equipment	67961.07	140,581.93
20180702070201	Library upgrade, Phase 2	964445.09	356688.91
20190307104307	EDMS	670,494.00	670494
20190307104319	Fencing of main building	120,000.00	120,000.00
20190313065607	Biometric System	120,000.00	120,000.00
20180308055779	Ward Development Fund Capital	0	1,067,694.70

3. Financial Implications

The 2019/20 Budget will be adjusted as follows:

VOTE NO	PROJECT	ROLLOVER AMOUNT	2019/20 BUDGET
20170712043568	Buildings	20,489.43	260,489.43
20170712043700	Furniture and Equipment	40,520.65	540,520.65
20170712043739	Furniture and Equipment	126051.26	176,051.00
20170712043763	Computer Equipment	140,581.93	208581.93
20180702070201	Library upgrade, Phase 2	356688.91	456688.91
20190307104307	EDMS	670,494.00	670,494.00
20190307104319	Fencing of the main building	120,000.00	260489.43
20190313065607	Biometric System	120,000.00	240,000.00
20180308055779	Ward Development Fund Capital	1,067,694.70	1,000,000

4. Recommendation

4.1 That Council, by resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 28 of the Local Government: Finance Management Act, Act 56 of 2003, approves the following proposed amendments to the 2019/20 Budget.

VOTE NO	PROJECT	ROLL OVER AMOUNT	2019/20 BUDGET
20170712043568	Buildings	20,489.43	260,489.43
20170712043700	Furniture and Equipment	40,520.65	540,520.65
20170712043739	Furniture and Equipment	126051.26	176,051.00
20170712043763	Computer Equipment	140,581.93	208581.93
20180702070201	Library upgrade, Phase 2	356688.91	456688.91
20190307104307	EDMS	670,494.00	670,494.00
20190307104319	Fencing of the main building	120,000.00	260489.43
20190313065607	Biometric System	120,000.00	240,000.00
20180308055779	Ward Development Fund Capital	1,067,694.70	2,067,694.7

Item Prepared by : Director Corporate Services



Item Endorsed by : Cllr Bryan Dhludhlu



KOUGA MUNICIPALITY (EC 108)

SPECIAL COUNCIL MEEETING

CORPORATE SERVICES

DATE: 15 AUGUST 2019 **ITEM NO: 19/08/CORP2**

STIPEND INCREASE – WARD COMMITTEE MEMBERS

1. Introduction:

The purpose of this item is to seek approval for an increase of Ward Committee members stipend of 20%

2. Background:

At the Corporate Services Portfolio Committee meeting held on 4 June 2019, the Executive Mayor requested that consideration be given to increasing the stipends of Ward Committee members.

This resulted in the following recommendation by the Corporate Services Portfolio Committee on 4 June 2019:

That consideration be given to increasing the stipends of Ward Assistants and Ward Committee members.

An item subsequently served at Council on 30 July 2019 and it was resolved that:

(Resolved 30 July 2019)

1. *That the report on the stipend increase for Ward Committee Members be withdrawn and that a revised report in respect of the % increase be submitted to the next Council meeting.*

2. *That the proposed increase of R200 be considered based on funding being sourced by the Chief Financial Officer.*

3. Discussion

To give effect to the above recommendation, funds had to be identified in the 2019/20 operating budget as provision had not been made for such increase during the budget approval process. The total amount required to effect a 20% increase in the stipend amount is R 360,000.

It was identified that savings can be made from the legal expenses budget, which amounts to R 5,575,600. The required amount of R 360 000 will be funded from the legal expenses budget.

3. Financial implications

The 2019/20 Budget will be adjusted as follows:

Vote Number	Item Description	Approved Budget 2019/20	Adjustments	Adjusted Budget 2019/20
20190710992030	Legal Cost: Legal Advice and Litigation	5,575,600	- 360,000	5,215,600
20170702072921	Remuneration to Ward Committee Members	1,800,000	360,000	2,160,000

5. Comments: Director: Corporate Services

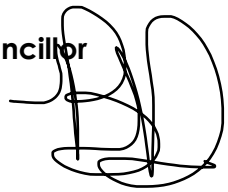
The report is noted

6. Recommendation

6.1 That a 20% increase in Ward Committee members stipends, with effect from 1 July 2019, be approved.

Item prepared by: Director: Corporate Services

Item endorsed by: Corporate Services Portfolio Councillor



REPORTS BY THE PORTFOLIO CHAIRPERSON: INFRASTRUCTURE & ENGINEERING

KOUGA MUNICIPALITY (EC 108)

SPECIAL COUNCIL MEETING

INFRASTRUCTURE AND ENGINEERING

DATE: 15 AUGUST 2019 **ITEM: 19/08/I&E1**

AMENDMENTS TO THE 2019/20 BUDGET – APPROVAL OF UNSPENT FUNDS AS AT 30 JUNE 2019

1. Introduction

The purpose of the item is to seek Council approval to include unspent funds on the 2018/19 Adjustment Budget in the approved 2019/20 Capital Budget.

In accordance with Section 28(2)(e), of the Municipal Finance Management Act, Council 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.

2. Background

On the 28 February 2019, Council approved the 2018/19 Adjustments Budget, which included the following capital projects:

Projects	Vote number	2018/19 Adjustments Budget
Wavecrest Sewer: Northern bulk outfall sewer	20170712043634	R 1,300,000
Bucket Eradication	20180702070150	R 2,300,000
Procurement of Vehicles	20170712043586	R 4,300,000
Procurement of Vehicles	20180814081224	R 3,910,264
Procurement of miniature substation	20190307104310	R 591 557
Procurement of Solar lights	20190313065616	R 753 449
Procurement of concrete poles	20190313065616	R 197 246
Procurement of LPU meters	20190307104313	R 195 888

Wavecrest Sewer: Northern bulk outfall sewer

Contract No 65/2018: Resolved to appoint by BAC on 15 February 2019. Contractor is on site and work in progress. Commencement date 11 March 2019.Expected completion date 6 Sep 2019.

Bucket Eradication Programme

Original intention was to obtain mobile toilets from Nelson Mandela Metro. This however did not materialize. Hence KLM followed official procurement process. Contract 49/2019 for the Supply and deliver of mobile ablution facilities was advertised on 19 March 2019 and closed on 25 April 2019. Tender was Resolved for appointment by BAC 27 June 2019. Appointment letter issued.

Procurement of Vehicles

At present 6 x TLB's are hired and hire agreement expires 31 July 2019. Tender number 19/2019 was advertised on 12 February 2019 and closed on 15 March 2019 for the Supply and Delivery of TLB for a period of three years. Tender still to be considered for approval of the BAC.

Procurement of miniature substation:

The miniature substation was procured to replace the miniature substation used to electrify the transit camp. This unit will now be replaced in Jeffrey's Bay. Tender number 22/2019 was advertised on the 8th February 2019 and awarded to ACTOM electrical,

Procurement of Solar lights:

Funding was made available out of the Mayors budget to procure solar lights only as well as solar lights with cameras, the procurement process ended on the 25th June 2019 notice numbers 63/64/99 &100/2019.

Procurement of concrete poles

Funding was made available out of the Mayors budget to procure solar lights only as well as solar lights with cameras, the procurement process seven day notice ended on the 5th June 2019 notice number 84/2019.

Procurement of LPU meters

Funding was made available in the capital budget for the procurement of meters, the procurement process seven day notice ended on the 25th June 2019 notice number 101/2019.

The projects were underspent as follows:

Projects	Vote number	2018/19 Adjustments Budget	Unspent as at 30 June 2019
Wavecrest Sewer: Northern bulk outfall sewer	20170712043634	R 1,300,000.00	R 925,677.19
Bucket Eradication	20180702070150	R 2,300,000.00	R 2,231,522.60
Procurement of Vehicles	20170712043586	R 4,300,000.00	R 4,300,000.00
Procurement of Vehicles	20180814081224	R 3,910,264.00	R 785,469.08
Procurement of miniature substation	20190307104310	R 591 556.55	R 591 556.55
Procurement of Solar lights	20190313065616	R 753 449.19	R 753 449.19
Procurement of concrete poles	20190313065616	R 197 245.81	R 197 245.81
Procurement of LPU meters	20190307104313	R 195 887.78	R 195 887.78

3. Financial Implications

In view of the aforementioned, the following amendments to the 2019/20 Capital Budget, are proposed:

Projects	Vote number	Roll Over
Wavecrest Sewer: Northern bulk outfall sewer	20170712043634	Provide - R 925,677.19
Bucket Eradication	20180702070150	Provide - R 2,231,522.60
Procurement of Vehicles	20170712043586	Provide - R 4,300,000.00
Procurement of Vehicles	20180814081224	Provide - R 785,469.08
Procurement of miniature substation	20190307104310	Provide - R 591 556.55
Procurement of Solar lights	20190313065616	Provide - R 753 449.19
Procurement of concrete poles	20190313065616	Provide - R 197 245.81
Procurement of LPU meters	20190307104313	Provide - R 195 887.78
		R 9 980 808.20

4. Recommendation

4.1 That the Executive Mayor recommends that the Council, by resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 28 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the following proposed amendments to the 2019/20 Budget.

Projects	**Vote number**	**Roll Over**
Wavecrest Sewer: Northern bulk outfall sewer	20170712043634	Provide - R 925,677.19
Bucket Eradication	20180702070150	Provide - R 2,231,522.60
Procurement of Vehicles	20170712043586	Provide - R 4,300,000.00
Procurement of Vehicles	20180814081224	Provide - R 785,469.08
Procurement of miniature substation	20190307104310	Provide - R 591 556.55
Procurement of Solar lights	20190313065616	Provide - R 753 449.19
Procurement of concrete poles	20190313065616	Provide - R 197 245.81
Procurement of LPU meters	20190307104313	Provide - R 195 887.78
		R 9 980 808.20

Item prepared by the Manager: Electrical

Item approved by: Director I & E

Noted by the Portfolio Councillor:

REPORTS BY THE PORTFOLIO CHAIRPERSON: COMMUNITY SERVICES

KOUGA MUNICIPALITY (EC 108)

SPECIAL COUNCIL MEETING

COMMUNITY SERVICES

DATE: 15 AUGUST 2019 **ITEM NO: 19/08/CS1**

AMENDMENTS TO THE 2019/20 BUDGET – APPROVAL OF UNSPENT FUNDS AS AT 30 JUNE 2019

1. Introduction

The purpose of this item is to seek Council approval to include unspent funds on the 2018/19 adjustments budget, in the approved 2019/20 budget.

2. Background

In accordance with Section 28(2)(e) of the Municipal Finance Management Act, Council may authorize 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.

On 28 February 2019, Council approved the 2018/19 Adjustments Budget, which included the following capital projects:

Projects	**Vote number**	**2018/19 Budget**
Supply and Delivery of Patrol Vehicles	20170712043607	R 2 000,000
Supply and Delivery of Bullet proof Vests	20180702070171	R 164 385
Procurement of a 6000L firefighting water tanker	20190108032133	R 1 700,000
Machinery and Equipment	20190108032136	R 374 000
New hydraulics rescue set of equipment	20171122982465	R 415 331
Life Guard's Beach Tower	20180702070180	R 123 600

Patrol Vehicles:
Tender 137/18 specifications for a 4x4 single cab bakkie, sedan and half ton bakkie were submitted and approved at a Bid Specification Committee meeting on the 27th July 2018. a Bid Adjudication Committee meeting held on the 29 November 2018 approved the tender on interpretation that only one of requested items could be procured. Thus, only three vehicles were procured on tender notice no.137/18.

Tender notice no.14/19 process was started, and specifications were submitted and approved on the 11 December 2018 to Bid Specification Committee meeting to procure additional patrol vehicles. It was advertised on the 08th February 2019 and awarded by Bid Adjudication Committee meeting on the 12th June 2019. Award letters were sent out on 13thJune 2019 and a cooling off period of 14 days was allowed for possible objections, which lapsed on the 28th June 2019.

Procurement of a 6000L firefighting water tanker:
Advertised as tender notice 15/2019 and has been sent back to BEC from BAC regarding specification matters.

Machinery and Equipment
The funds are committed for the procurement of the Bin Lifters = R 253 637

Bullet Proof Vests:
Tender notice 136/18 was cancelled due to non-responsive bids received. A revised tender process was started with 7-day notice no. 54/19 which was approved at Bid Specification Committee meeting held on the 15th March 2019. It was approved at Bid Adjudication Committee meeting held on the 12th June 2019. An order was created on the 11th June 2019 and the service provider indicated that the supply and delivery will be done within 15 working days.

New hydraulics rescue set of equipment

The actual budget was R 1 850 000 and R1 434 668 was used for the procurement of the Fire Fighting vehicle, the remaining R 415 331 will be for the procurement of the new hydraulic rescue equipment.

Tender 18/2019 is at BEC for evaluation

Life Guard's Beach Tower
Funds are committed, awaiting Service provider for delivery

The projects were underspent as follows:

Projects	**2018/19 Budget**	**Actuals as at 30 June 2019**	**Unspent as at 30 June 2019**
Supply and Delivery of Patrol Vehicles	20170712043607	R1143845.11	R1143845.11
Supply and Delivery of Bullet proof Vests	20180702070171	R 164 385	R 164 385
Procurement of a 6000L firefighting water tanker	20190108032133	R 1 700,000	R 1 700,000
Machinery and Equipment	20190108032136	R 253 637	R 253 637
New hydraulics rescue set of equipment	20171122982465	R 415 331	R 415 331
Life Guard's Beach Tower	20180702070180	R 123 600	R 123 600

3. Financial Implications

In view of the aforementioned, the following amendments are proposed:

Projects	**Vote Number**	
Supply and Delivery of Patrol Vehicles	20170712043607	Provide R1143845.11
Supply and Delivery of Bullet proof Vests	20180702070171	Provide R 164 385
Procurement of a 6000L firefighting water tanker	20190108032133	Provide R 1 700,000
Machinery and Equipment	20190108032136	Provide R 253 637
New hydraulics rescue set of equipment	20171122982465	Provide R 415 331
Life Guard's Beach Tower	20180702070180	Provide R 123 600

4. Recommendation

4.1 That the Executive Mayor recommends that the Council, by resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 28 of the Local Government: Finance Management Act, Act 56 of 2003, approves the following proposed amendments to the 2019/20 Budget.

Projects	**Vote Number**	
Supply and Delivery of Patrol Vehicles	20170712043607	Provide R1143845.11
Supply and Delivery of Bullet proof Vests	20180702070171	Provide R 164 385
Procurement of a 6000L firefighting water tanker	20190108032133	Provide R 1 700,000
Machinery and Equipment	20190108032136	Provide R 253 637
New hydraulics rescue set of equipment	20171122982465	Provide R 415 331
Life Guard's Beach Tower	20180702070180	Provide R 123 600

Item prepared: Community Services Director

Item endorsed by Municipal Manager

Noted by: Portfolio Councillor:



REPORTS BY THE PORTFOLIO CHAIRPERSON: PLANNING AND DEVELOPMENT

KOUGA MUNICIPALITY (EC108)

SPECIAL COUNCIL MEETING

PLANNING AND DEVELOPMENT

DATE: 15 AUGUST 2019 **ITEM NO: 19/08/PDT1**

APPROVAL OF VIREMENTS ON THE 2019/20 OPERATING BUDGET

1. Background

The revised 2019/20 IDP identifies the following key projects in respect of Planning & Development.

- Precinct Plan Development for Jeffery's Bay, Humansdorp and Hankey.
- Land Audit for Kouga Local Municipality
- Formalisation of informal settlements

In order to implement the projects as mentioned the following budgetary provisions are needed.

- Precinct Plan Development for Jeffery's Bay, Humansdorp and Hankey. (Appointment of Consultants = R600 000)
- Land Audit for Kouga Local Municipality (Appointment of Consultants R400 000.00)
- Formalisation of informal settlements (appointment of panel of professional teams for land survey, town planning, engineers)

The final adopted 2019/20 budget makes no provision for the above stated projects. The item is submitted to Council for approval of virements on the 2019/20 budget, to make provision for the above stated projects. The virement will be implemented through the virement of funds in the approved Operational Budget.

The source of funding for the above projects is detailed under "Financial Implications" sections below.

2. Financial Implications

The 2019/20 Budget will be adjusted as follows:

UKEY NR	PROJECTS	ITEM DESCRIPTION	Approved Budget 2019/20	Virement	Adjusted Budget 2019/20
20170702071057	Strategic Planning	Outsourced Services:Professional Staff	52 600.00	(52 600.00)	-
20170702071092	Community Development	Business and Advisory:Project Management	531 260.00	(400 000.00)	131 260.00
20190710992027	Municipal running cost	Business and Advisory:Research and Advisory (Land Audit)	300 000.00	100 000.00	400 000.00
20190307104336	Arts and Creative Industries	Contractors:Artists and Performers	263 000.00	(163 000.00)	100 000.00
20170702071089	Mayours Cup	Business and Advisory:Project Management	85 000.00	(85 000.00)	-
20170702071090	Tourism Development	Business and Advisory:Project Management	4 000 000.00	(1 000 000.00)	3 000 000.00
New Vote	Municipal running cost	Panel of Professional Team	-	1 000 000.00	1 000 000.00
New Vote	Municipal running cost	Precinct Plan Development	-	600 600.00	600 600.00
			5 231 860.00	**-**	**5 231 860.00**

3. Legal Implications

The Council's Virement Policy permits the transfer of funds between different projects within a particular Directorate's operating budget.

4. Recommendation

4.1 That the Council approves the following proposed virements on the 2019/20 Operating Budget.

UKEY NR	PROJECTS	ITEM DESCRIPTION	Approved Budget 2019/20	Virement	Adjusted Budget 2019/20
20170702071057	Strategic Planning	Outsourced Services:Professional Staff	52 600.00	(52 600.00)	-
20170702071092	Community Development	Business and Advisory:Project Management	531 260.00	(400 000.00)	131 260.00
20190710992027	Municipal running cost	Business and Advisory:Research and Advisory (Land Audit)	300 000.00	100 000.00	400 000.00
20190307104336	Arts and Creative Industries	Contractors:Artists and Performers	263 000.00	(163 000.00)	100 000.00
20170702071089	Mayours Cup	Business and Advisory:Project Management	85 000.00	(85 000.00)	-
20170702071090	Tourism Development	Business and Advisory:Project Management	4 000 000.00	(1 000 000.00)	3 000 000.00
New Vote	Municipal running cost	Panel of Professional Team	-	1 000 000.00	1 000 000.00
New Vote	Municipal running cost	Precinct Plan Development	-	600 600.00	600 600.00
			5 231 860.00	**-**	**5 231 860.00**

Item prepared by: The Director: Planning & Development

Item noted by the Portfolio Chairperson