



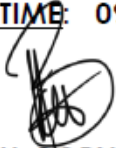

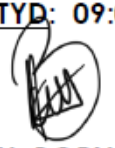
# KOUGA

local municipality

*Good Governance through Service Excellence*

## SPECIAL COUNCIL MEETING AGENDA

Date : 5 June 2020  
Time : 09:00  
Venue : Virtual Meeting

<p><b>KOUGA MUNICIPALITY (EC108)</b></p> <p><b><u>NOTICE CONVENING A MEETING</u></b></p> <p><b>NOTICE IS HEREBY GIVEN</b> in terms of the amended Directions on Municipal Operations and Governance, in terms of Section 27(2) of the Disaster Management Act, 2002, that a virtual Council Meeting will be held on</p> <p><b>DATE: 5 June 2020</b></p> <p><b>TIME: 09:00</b></p>  <p><b>H. BORNMAN</b> <b>SPEAKER</b></p>	<p><b>UMASIPALA I-KOUGA (EC108)</b></p> <p><b><u>ISAZISO NGENTLANGANISO</u></b></p> <p><b>OKU KUKWAZISA</b> malunga neZikhokelo eziLungisiweyo ekuSebenzeni koMasipala kunye noLawulo ngokweMigagqo yeCandelo lama 27(2) loMthetho woLawulo lweNtlekele ka 2002, ukuba kubanjwe intlanganiso yesiquphe yesigqeba Ye khansile</p> <p><b>UMHLA: 5 Isilimela 2020</b></p> <p><b>IXESHA: 09:00</b></p>  <p><b>H. BORNMAN</b> <b>USOMLOMO</b></p>	<p><b>MUNISIPALITEIT KOUGA (OK108)</b></p> <p><b><u>KENNISGEWING VAN VERGADERING</u></b></p> <p><b>KENNIS GESKIED HIERMEE</b> ingevolge die gewysigde Aanwysings Vir Munisipale Bedrywighede En Bestuur, Ingevolge Artikel 27 (2) van die Wet op Rampbestuur, 2002, dat 'n virtuele raadsvergadering gehou sal word op</p> <p><b>DATUM: 5 Junie 2020</b></p> <p><b>TYD: 09:00</b></p>  <p><b>H. BORNMAN</b> <b>SPEAKER</b></p>
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*Councillors are required to comply with the Standing Rules and Orders of Council and all its Committees By-law as promulgated in the Provincial Gazette on 22 October 2018 No.4134 and applicable to this meeting of Council. Any person who willfully contravenes any provision of these rules shall be guilty of an offence and which contravention shall be dealt with in accordance with the disciplinary procedures for Councillors.*

## **A G E N D A**

1. **NOTICE OF MEETING**
2. **OPENING AND WELCOME**
3. **ABSENT WITH LEAVE**
4. **ABSENT WITHOUT LEAVE**
5. **PRESENTATIONS**
6. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**
7. **STATEMENTS OR COMMUNICATIONS BY THE SPEAKER**

8. **STATEMENTS OR COMMUNICATIONS BY THE EXECUTIVE MAYOR**
9. **DECLARATION OF INTEREST**
10. **STATUTORY MATTERS**
11. **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).*

12. **REPORTS BY THE EXECUTIVE MAYOR**
- 12.1 **REPORTS BY THE CHAIRPERSON: FINANCE**

**20/06/F1** Medium Term Revenue and Expenditure Framework (MTREF) - Budget for The 2020/21 To 2022/23 Financial Years

Pages 6-14

13. **REPORT BY THE OFFICE OF THE MUNICIPAL MANAGER**

**20/06/MM1** 2020/21 Draft IDP Review of the 5 Year IDP (2017/2022)

Pages 16-18

15. **CLOSURE**

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**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  
PORTFOLIO  
CHAIRPERSON:  
FINANCE

**KOUGA LOCAL MUNICIPALITY (EC108)**

**SPECIAL COUNCIL MEETING**

**FINANCE**

**DATE: 5 JUNE 2020**

**ITEM NO: 20/06/F1**

**MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) - BUDGET FOR THE 2020/21 TO 2022/23 FINANCIAL YEARS**

1. Introduction

The purpose of the report is to table the Medium-Term Revenue and Expenditure Framework (MTREF) – Budget for the 2020/21 – 2022/23 financial years to the Council.

2. Recommendation

2.1 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 24 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the Annual Budget for the 2020/21 financial year and the indicative allocations for the projected outer years 2021/22 and 2022; and the multi-year and single year capital appropriations, as set out in the following tables, including the associated recommendations.

- a) Consolidated Budget Summary [Table A1]
- b) Budgeted Financial Performance (revenue and expenditure by standard classification); [Table A2]
- c) Budgeted Financial Performance (revenue and expenditure by municipal vote); [Table A3]
- d) Budgeted Financial Performance (revenue by source and expenditure by type); [Table A4]
- e) Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source. [Table A5]

2.2 That the budgeted financial position, budgeted cash flows, cash-backed reserves/accumulated surplus, asset management and basic service delivery targets be noted as set-out in the following tables:

- a. Budgeted Financial Position; [Table A6]
- b. Budgeted Cash Flows; [Table A7]
- c. Cash backed reserves and accumulated surplus reconciliation; [Table A8]
- d. Asset management; [Table A9]
- e. Basic service delivery measurement. [Table A10]

2.3 That the tariffs be increased as follows, with effect from 1 July 2020:

Property rates	5.25%
Water	8.1%
Sanitation	7%
Refuse	7%
Electricity (average increase in electricity income)	6.25%
Environmental Management Fee	0%

a) Indicative tariffs for 2021/22 and 2022/23 will be increased as follows:


	<u>2021/22</u>	<u>2022/23</u>
Property rates	5.25%	5.25%
Water	8.1%	8.1%
Sanitation	8%	8%
Refuse	8%	8%
Electricity (average increase in electricity income)	6.25%	6.25%
Environmental Management Fee	0%	0%

Drafted by Manager Budget & Treasury:

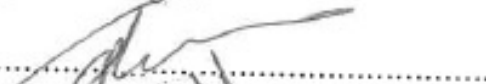
Mr. S Abrahams:



Approved by CFO:

Mr. R Loragt :.....

Endorsed by Municipal Manager:

Mr. C Du Plessis:.....

Noted by Portfolio Councillor:.....

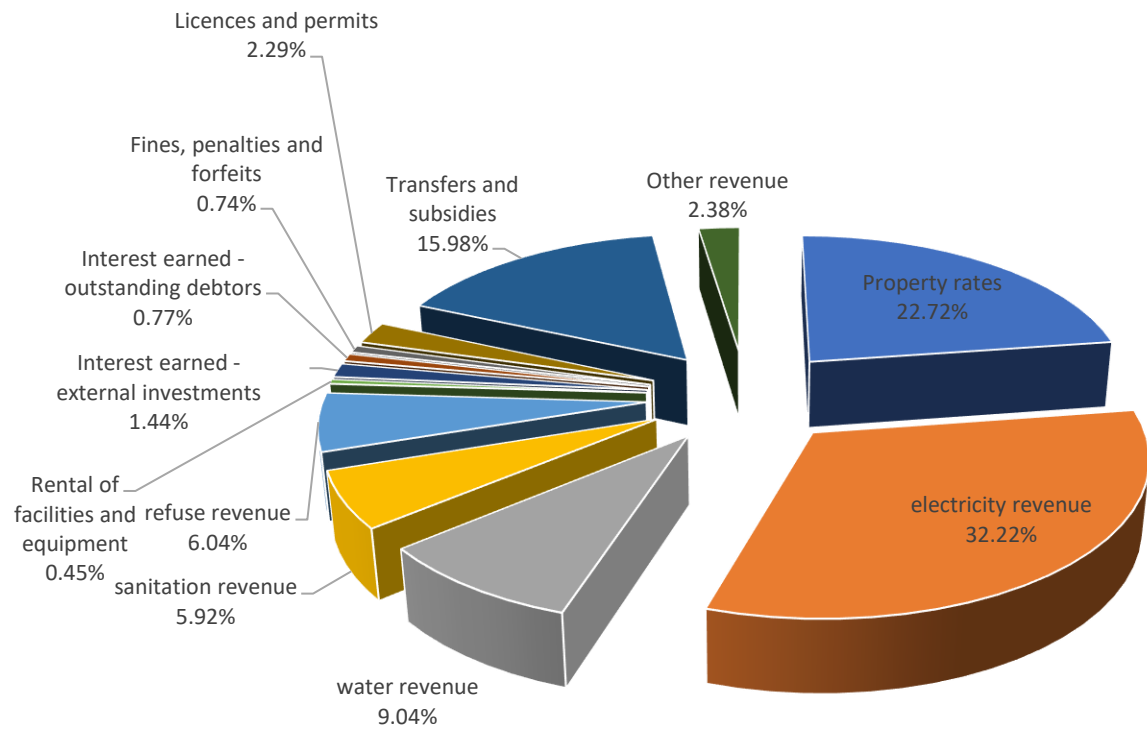


**Table 1 (Summary of main revenue sources)**

Description	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23
<b>R thousands</b>				
<b>Revenue By Source</b>				
Property rates	197 292	205 650	216 447	227 810
electricity revenue	274 470	291 625	309 851	329 217
water revenue	75 713	81 846	88 476	95 642
sanitation revenue	50 051	53 555	57 839	62 466
refuse revenue	52 072	54 690	57 891	61 349
Rental of facilities and equipment	4 037	4 083	4 270	4 467
Interest earned - external investments	15 375	13 013	13 612	14 238
Interest earned - outstanding debtors	10 892	6 993	7 482	8 006
Fines, penalties and forfeits	6 397	6 685	6 993	7 314
Licences and permits	19 822	20 714	21 667	22 663
Transfers and subsidies	133 112	144 597	157 310	170 790
Other revenue	7 088	21 540	10 887	11 250
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>846 322</b>	<b>904 990</b>	<b>952 726</b>	<b>1 015 213</b>



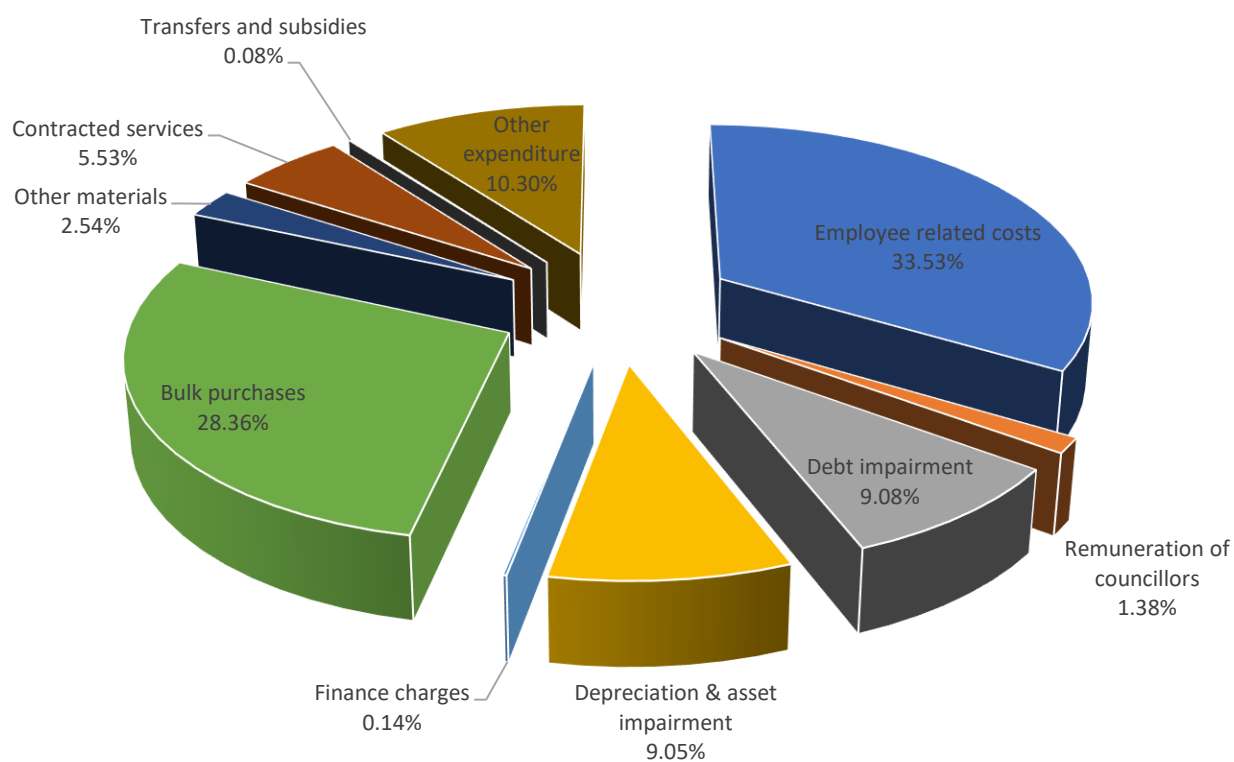
## Revenue By Source



**Table 2 (Summary of operating expenditure by standard classification item)**

Description	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23
<b>R thousands</b>				
<b>Expenditure By Type</b>				
Employee related costs	304 894	330 664	338 851	354 438
Remuneration of councillors	13 063	13 651	14 279	14 936
Debt impairment	26 420	89 573	29 519	31 380
Depreciation & asset impairment	85 101	89 271	93 556	98 046
Finance charges	2 201	1 388	716	–
Bulk purchases	271 623	279 744	295 063	320 818
Other materials	32 842	25 059	26 270	31 398
Contracted services	82 327	54 538	56 796	64 166
Transfers and subsidies	250	761	773	946
Other expenditure	106 757	101 631	104 081	109 850
<b>Total Expenditure</b>	<b>925 477</b>	<b>986 278</b>	<b>959 904</b>	<b>1 025 977</b>

## Expenditure By Type



**Table 3 (Cash Flow Statement)**

Description	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
		R thousand	Adjusted Budget	Budget Year 2020/21
Cash/cash equivalents at the year begin:	214 228	74 455	48 229	94 544
Receipts	877 965	853 774	961 537	1 025 005
Payments	(1 017 738)	(880 001)	(915 221)	(970 037)
NET INCREASE/ (DECREASE) IN CASH HELD	(139 773)	(26 227)	46 316	54 968
Cash/cash equivalents at the year end:	74 455	48 229	94 544	149 512

**Table 4 (Cash Backed Reserves)**

Description	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework			
		R thousand	Adjusted Budget 2019/20	Annual Budget 2020/21	Annual Budget 2021/22
<b>Cash and investments available</b>					
Cash/cash equivalents at the year end	74 455	48 229	94 544	149 512	
Other current investments > 90 days			-		
Non current assets - Investments			-		
<b>Cash and investments available:</b>	<b>74 455</b>	<b>48 229</b>	<b>94 544</b>	<b>149 512</b>	
<b>Application of cash and investments</b>					
Unspent conditional transfers			-		
Unspent borrowing					
Statutory requirements					
Other working capital requirements	42 920	44 851	46 914	49 072	
Other provisions	2 982	3 116	3 260	3 410	
Long term investments committed			-		
Reserves to be backed by cash/investments					
<b>Total Application of cash and investments:</b>	<b>45 902</b>	<b>47 967</b>	<b>50 174</b>	<b>52 482</b>	
<b>Surplus(shortfall)</b>	<b>28 554</b>	<b>261</b>	<b>44 370</b>	<b>97 030</b>	
Cost Coverage	1.1	0.7	1.3	2.0	

**Table 4 (Summary of Capital Expenditure)**

Project Description	Funding Source	Annual Budget 2020/21	Annual Budget 2021/22	Annual Budget 2022/23
<b>CORPORATE SERVICES</b>				
Biometric Systems	Internal	200 000	209 200	218 823
Computer Equipment	Internal	200 000	-	-
Computer Software and Applications	Internal	50 000	-	-
EDMS	Internal	799 455	-	-
Fencing of municipal buildings	Internal	100 000	100 000	100 000
Electronic Queuing System	Internal	-	250 000	-
		<b>1 349 455</b>	<b>559 200</b>	<b>318 823</b>
<b>EXECUTIVE &amp; COUNCIL</b>				
Computer Equipment	Internal	85 000	150 000	150 000
Furniture and Equipment	Internal	-	100 000	-
Ward Councillors' Capital Projects	Internal	750 000	750 000	750 000
		<b>835 000</b>	<b>1 000 000</b>	<b>900 000</b>
<b>FINANCE</b>				
Cibex Software	Internal	600 000	600 000	600 000
Computer Equipment	Internal	200 000	-	-
		<b>800 000</b>	<b>600 000</b>	<b>600 000</b>
<b>INFRASTRUCTURE &amp; ENGINEERING</b>				
Construct emergency overflow pond Koraal Sewer pump station	Internal	2 400 000	-	-
Fencing Kruisfontein waste water treatment plant	Internal	800 000	-	400 000
Fencing Mainsubstation Jeffrey's Bay	Internal	500 000	-	-
Fencing Sea Vista Reservoir	Internal	-	700 000	-
Generator 2	Internal	500 000	-	-
Humansdorp, Kruisfontein and Osean View Electrification	INEP	4 521 739	3 478 261	4 442 609
Machinery and Equipment	Internal	300 000	-	-
New by-pass sewer rising main and pump stations Jbay	Internal	1 500 000	6 000 000	11 000 000
New overheadlines 66kv overheadlines(Jbay to Melk	Internal	1 300 000	1 000 000	-
Patensie Sewage Package Plant	MIG	6 379 942	-	-
Piped Reticulation in St Francis	Internal	-	2 000 000	2 000 000
Repair leaking concrete water tower Paradise Beach	Internal	300 000	2 800 000	-
Replace 250mm Watermain Canal Rd, St Francis	Internal	1 500 000	1 000 000	-
Replace 250mm Watermain Mimosa Str Jbay	Internal	330 000	2 000 000	-
Replace main waterline Sout Rivier bridge crossing St Francis Bay	Internal	1 000 000	5 000 000	-
Retrofit oil circuit breakers Main substation Jeffrey's Bay	Internal	-	800 000	800 000
Saffery Substation	Internal	1 500 000	-	-
Security Cameras & Substation Security	Internal	200 000	1 000 000	-
Sewer pump station level monitoring	Internal	-	-	250 000
Upgrade Centerton sewer pump station	Internal	1 000 000	-	2 000 000
Upgrade Hankey water treatment works	Internal	600 000	5 000 000	9 450 000
Upgrade Loerie sewer pump station	Internal	3 000 000	-	-
Upgrade Sanitation System Old Hankey	MIG	7 902 794	15 652 174	17 036 336
Upgrade sewer rising mains Jbay (La Mer-4A-4B) Prep	Internal	2 100 000	-	-
Upgrading of Gravel Roads in Jeffreys Bay	MIG	7 890 511	8 270 189	8 166 090
Upgrading of Sports Facilities	MIG	3 912 926	4 221 593	4 447 487
		<b>49 437 913</b>	<b>58 922 218</b>	<b>59 992 522</b>

Project Description	Funding Source	Annual Budget 2020/21	Annual Budget 2021/22	Annual Budget 2022/23
<b>PLANNING, DEVELOPMENT &amp; TOURISM</b>				
Commonage Land Agricultural Support	Internal	-	550 000	1 102 500
Computer Equipment	Internal	30 000	66 150	69 458
Computer Software and Applications	Internal	315 000	330 750	347 288
Furniture and equipment	Internal	-	430 500	452 025
Land acquisition housing projects	Internal	-	500 000	750 000
LED Project: Establishment of Business Support Centre (Ocean View)	Internal	300 000	315 000	330 750
Tourism: Restoration of Fisherman Gravesite	Internal	100 000	105 000	-
Tourism: Upgrading / Renovation of the Phillips Tunnel	Internal	-	105 000	110 250
Vehicles	Internal	400 000	-	-
		<b>1 145 000</b>	<b>2 402 400</b>	<b>3 162 270</b>
<b>COMMUNITY SERVICES</b>				
Wheelie Bins	MDRG	1 192 000	-	-
Computer Equipment	Internal	30 000	63 000	66 150
Fencing community halls	Internal	750 000	1 050 000	1 102 500
Fencing of Cemeteries	Internal	-	825 000	903 750
Fencing of Yellow Woods	Internal	200 000	210 000	220 500
Furniture and equipment	Internal	-	210 000	220 500
Humansdorp Fire Station , Fencing	Internal	200 000	-	-
Jack Hammer and water pump	Internal	350 000	735 000	771 750
Security Cameras	Internal	750 000	1 000 000	1 000 000
Machinery and Equipment	Internal	278 500	287 425	296 796
skip bins	Internal	200 000	210 000	220 500
Upgrading of Pellsrus, Kabeljous, Cape St Francis	Internal	150 000	165 000	180 750
Vehicles	Internal	1 325 000	1 441 250	1 563 312
Vehicles	DISTR	1 965 100	1 965 100	1 965 100
Spit - St Francis (New)	Internal	2 000 000		
		<b>9 390 600</b>	<b>8 161 775</b>	<b>8 511 608</b>
<b>CAPITAL BUDGET</b>				
		<b>62 957 968</b>	<b>71 645 593</b>	<b>73 485 223</b>
Internally generated funds		29 192 955	38 058 275	37 427 601
Transfers recognised - capital		33 765 013	33 587 318	36 057 622
<b>Total</b>		<b>62 957 968</b>	<b>71 645 593</b>	<b>73 485 223</b>

REPORTS BY  
THE  
OFFICE OF THE  
MUNICIPAL  
MANAGER



**KOUGA MUNICIPALITY (EC 108)****SPECIAL COUNCIL MEETING****OFFICE OF THE MUNICIPAL MANAGER****DATE: 5 JUNE 2020****ITEM NO.: 20/06/MM1****2020/21 DRAFT IDP REVIEW OF THE 5 YEAR IDP (2017/2022)**1. Introduction

The purpose of this report is to table the 2020/21 review of the 2017/22 Integrated Development Plan for consideration by Council.

2. Legislative requirements

Section 34 of the Local Government Municipal Systems Act, 32 of 2000 prescribes that:

**“Annual review and amendment of integrated development plan – A municipal council -**

- (a) must review its integrated development plan –
  - (i) annually in accordance with an assessment of its performance measurements in terms of section 41: and
  - (ii) to the extent that changing circumstances so demand; and
- (b) may amend its integrated development plan in accordance with a prescribed process.

3. Background

This report is the third (3<sup>rd</sup>) review of the 2017/22 Integrated Development Plan of the Kouga Municipality. The process started with the adoption of the IDP Process Plan on 30 July 2020, Council Resolution no. 19/07/MM2 which included all the different processes and timeframes to be followed. The process plan also made provision for compliance timeframes of the financial reporting cycles as well as performance management.

**The IDP review for 2020/21 was informed by the following:**

- The municipality's overall performance attained for the 2019/20 financial year as well as the mid-year performance for 2019/20 financial year;
- Comments from the MEC for Local Government and Traditional Affairs and other stakeholders; and
- Changing circumstances in the municipal area.

#### 4. Community Involvement

According to the Local Government Systems Act, Act 32 of 2000, Section 16, a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance by encouraging and create conditions for the local community to participate in the affairs of the municipality.

The municipality take cognizance of the importance of community participation and therefore schedule at least 2 rounds of public meetings in all wards and certain towns in the municipal area. The 1<sup>st</sup> round of meetings, according to the process plan, was held from 28 October 2019 to 26 November 2019.

There was a marked increase in the attendance of meetings by the public. However, ward 1 and ward 6 meetings did not take place. The meetings started at 18:00 at night and most of the meetings ended at 21:00. It is requested that councillors and management be visible at public meetings and encourages the community to attend the meetings that can make a difference in their lives and participation in decision making.

#### 5. Meetings

The following meetings were held and attended held during the 1<sup>st</sup> three phases of the IDP process:

- 3 Ward Based Planning Workshops
- 1 round of Public Meetings
- 2 District Consultative Meetings
- 1 District Representative Forum Meeting
- 1 Strategic Planning Session
- 1 IGR Meeting
- 2 Budget Meetings
- 1 IDP Assessment

The IDP Manager also attended an IDP Workshop in Bisho on 30 January 2019. The annual IDP Assessment was held at the Mpekweni Holiday Resort from 1 – 2 August 2019. The municipality again a scored a **HIGH** rating in all 5 KPA's for the 2<sup>nd</sup> review of the 2017-2020 IDP Review. The assessment is a very exhausting exercise and it is very important that a delegation accompany the IDP Manager to the annual assessment.

#### 6. Consideration of matters raised at public meetings

There is an overall misconception by the public regarding funding and implementation of projects which should be addressed in the 2<sup>nd</sup> round of public meetings. The general matters raised at the public participation meetings were mainly of the slow progress in basic service delivery, housing and job creation. An effort should be made to attend to at least one priority per year in each ward so that the community may have more faith in municipal governance.

7. Priorities per ward

A consolidated ward priority list of all 15 Wards were presented at the strategic planning session held on 13 March 2020. The priority list was presented in order to consider the inputs of the community for the 2020/21 budget process.

8. Recommendation

- 8.1 That the **Final IDP for the year 2020/2021** of the 2017/22 Integrated Development Plan, in terms of the provisions of Section 25 of the Local Government Municipal Systems Act 32 of 2000, be approved
- 8.2 That the **Final IDP for the year 2020/2021** document be submitted to the MEC and relevant stakeholders within 10 days of acceptance by Council.
- 8.3 That the **Final IDP for the year 2020/21** be published on the municipal website within 10 days of acceptance by the Council.

Item prepared by : The Manager: IDP 

Approved by : The Municipal Manager 