



**Bitou Local Municipality
Bitou Plaaslike Munisipaliteit
Umasipala WeBitou**

Agenda

SPECIAL MUNICIPAL COUNCIL MEETING

**Venue: Council Chambers, Municipal Offices,
Sewell Street, Plettenberg Bay**

DATE: 21 APRIL 2015

Time: 14H00

BITOU LOCAL MUNICIPALITY

21 April 2015

**The Executive Mayor
Councillors
Municipal Manager and Heads of Department**

SPECIAL COUNCIL MEETING: TUESDAY, 21 APRIL 2015

NOTICE is hereby given that a Special Municipal Council Meeting will be held in the Council Chamber, Municipal Offices, Plettenberg Bay on **TUESDAY, 21 APRIL 2015 AT 14H00** to discuss the business set forth in the Agenda.

Yours faithfully



AR Olivier
Speaker

Constitution of the Council

The Speaker, Councillor AR Olivier
The Executive Mayor, Councillor M Booyesen
The Deputy Executive Mayor, Councillor RS Koeberg
Member of the Mayoral Committee, Councillor N M de Waal
Member of the Mayoral Committee, Councillor E E Paulse

Councillor S Besana
Councillor W R Craig
Councillor S E Gcabayi
Councillor SB Farrow
Councillor M M Mbali
Councillor H Plaatjies
Councillor N Ndayi
Councillor L M Seyisi

IMPORTANT NOTICE

**PLEASE REFER TO THE SPECIAL MAYORAL COMMITTEE
AGENDA OF EVEN DATE FOR THE ANNEXURES TO THE
REPORTS ON THE ITEMS AS LISTED**

Bitou Local Municipality

Special Council Agenda: 21 April 2015

Time: 14h00

Order of Business

1. OPENING

2. ATTENDANCE

The Attendance Registers of members of the Municipal Council, Officials and Public will be circulated for signature.

3. APPLICATION FOR LEAVE OF ABSENCE

Application for leave of absence, if necessary, will be considered.

4. STATEMENTS AND COMMUNICATIONS BY:

4.1 The Executive Mayor

4.2 The Speaker

5. CONSIDERATION OF REPORTS

Schedule of Items attached

6. URGENT MATTERS SUBMITTED BY THE MUNICIPAL MANAGER

None received

7. CONSIDERATION OF NOTICES OF MOTION

None received

8. CONSIDERATION OF MOTIONS OF QUESTION

None received

Order of business: Special Council Meeting: 21 April 2015

9. **CONSIDERATION OF MOTIONS OF EXIGENCY**

None received

10. **IN-COMMITTEE MATTERS**

None received

11. **RECORDING OF COUNCILLORS PRESENT**

12. **CLOSURE**

PORTFOLIO INDEX**5: CONSIDERATION OF REPORTS: (OPEN)****SPECIAL COUNCIL MEETING AGENDA****21 APRIL 2015****(The dates & page numbers of the MayCo Agendas are listed for ease of reference)****SECTION 1: OFFICE OF THE MUNICIPAL MANAGER**

ITEM NO	SUBJECT	FILE REF	MAYCO AGENDA PAGE NO	COUNCIL AGENDA PAGE NO	DATE OF MEETING
	No items for consideration				

SECTION 2: FINANCE

ITEM NO	SUBJECT	FILE REF	MAYCO AGENDA PAGE NO	COUNCIL AGENDA PAGE NO	DATE OF MEETING
	No items for consideration				

SECTION 3: CORPORATE SERVICES

ITEM NO	SUBJECT	FILE REF	MAYCO AGENDA PAGE NO	COUNCIL AGENDA PAGE NO	DATE OF MEETING
C/3/120/04/15	DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND BENEFITS FOR MEMBERS OF MUNICIPAL COUNCILS: 2014/2015	12/2/1/3/1	1 - 33	1 - 7	21-Apr-15

SECTION 4: COMMUNITY SERVICES

ITEM NO	SUBJECT	FILE REF	MAYCO AGENDA PAGE NO	COUNCIL AGENDA PAGE NO	DATE OF MEETING
C/4/73/04/15	ACQUISITION OF PORTION 25 OF THE FARM 437, HILLVIEW BY PRIVATE TREATY	18/25/437	34 - 51	8 - 9	21-Apr-15

SECTION 5: ENGINEERING SERVICES

ITEM NO	SUBJECT	FILE REF	MAYCO AGENDA PAGE NO	COUNCIL AGENDA PAGE NO	DATE OF MEETING
	No items for consideration				

SECTION 6: STRATEGIC SERVICES

ITEM NO	SUBJECT	FILE REF	MAYCO AGENDA PAGE NO	COUNCIL AGENDA PAGE NO	DATE OF MEETING
	No items for consideration				

Section 3

Department: Corporate Services

Section 3: Corporate Services

ITEM C/3/120/04/15

Mayoral Committee Meeting for recommendation to Council

DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND BENEFITS FOR MEMBERS OF MUNICIPAL COUNCILS: 2014/2015

Department: Corporate Services **Demarcation:** All Wards

File Ref: 12/2/1/3/1

Attachments:

1. Annexure "A" SALGA Circular 14/2015 dated 27 March 2015
2. Annexure "B" Regulation Gazette No 10400 which appeared in the Government Gazette No 38608 of 25 March 2015

BACKGROUND

The National Minister of Cooperative Governance and Traditional Affairs re-determined the upper limits of salaries and allowances of different members of municipal Councils with effect from 1 July 2014. This upward adjustment is contained in Government Notice No. R243 dated 25 March 2015 and was published in Government Gazette No.38608 of the same date. Members of Municipal Councils earning less than R1 million are entitled to a 6% increase and those earning in excess of R1 million, a 5% increase.

The most notable gain is that municipalities are now allowed to provide alternative accommodation for a period of 30 days where the house of a councillor was damaged or strayed due to political unrest or riots.

A special payment dispensation was introduced for part time chairpersons of Section 79 Committees and councillors representing SALGA in IGR structures will also now be entitled to a sitting allowance. A formal SALGA policy will be adopted to govern the payment of the said allowance.

It must be noted that the notice for the 2014/15 Financial Year differs from the 2013/14 notice in the following respects;

Definition clauses:

The definition of total municipal income has been amended to read as follows;

Means gross income in respect of a metropolitan, local or district municipality based on actual income received as stated in the audited financial statements of that municipality for the 2013/14 financial year. The gross income of the municipality will include the following;

Section 3: Corporate Services

Rates on property;

- *Fees for services rendered by the municipality, or on its behalf by a municipal entity;*
- *Surcharges*
- *Other authorized taxes;*
- *Levies and duties;*
- *Income from fines for traffic offences and contravention of municipal by-laws or legislation assigned to the local sphere of government;*
- *Regional services council replacement grant for district municipalities;*
- *Interest earned on invested funds other than national and provincial conditional grants*
- *Rental for the use of municipal movable or immovable property; and*
- *Amounts received as agent for other spheres of government*

The gross income will exclude the following:

- *Transfers and / or grants from the national fiscus;*
- *All VAT refunds*

- **Item 6:**

Upper limits of the allowances of full time councillors;

The vehicle allowed to councillors when travelling on official business must be a municipal owned vehicle.

- **Item 7:**

The sitting allowance for appointed councillors has been increased to R908 per sitting, limited to one payment per day.

- **Item 8:**

Councillors representing SALGA in formal IGR structures will now also be entitled to a sitting allowance

- **Item 9**

Upper limits of the annual total remuneration packages of part time councillors:

A special payment dispensation was introduced for part time chairpersons of Section 79 Committees

Item 10

Upper limits of the allowances of part time councillors;

The vehicle allowed to councillors when traveling on official business must be a municipal owned vehicle.

Item 14

Special risk cover

In addition to the total remuneration package provided for in items 5 and 9 respectively, a municipality must take out a risk insurance cover, to provide for the loss of or damage to a councillor's property, assets, life or disability, excluding business property, arising from any riot, civil unrest, strike or public disorder. The special risk insurance on fixed property will be limited to R1,5 million and on vehicles to R750 000. Life and disability insurance cover is limited to 2 times the total remuneration package of a councillor.

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In addition to the above, in the event where the residential property of a councillor was damaged or destroyed as a result of riot, civil unrest, strike or public disorder, the municipality may provide alternative accommodation, affordable to the municipality, to such a councillor, for a period of 30 days from the date of such incident, and which may be reviewed by the municipal council after the expiry of 30 days, on good cause shown, for no more than 30 days at a time.

It is the responsibility of the councillor to provide all necessary details to the municipality, upon request, regarding the councillor's properties, assets and beneficiaries to be covered by the special risks insurance. Failure by the councillor to comply with the municipality's request, will lead to the exclusion of the councillor's property or assets from the special risk insurance cover. Councillors who already have their own special risk cover must also declare the information to the municipality.

The implication of this item is that a municipality must obtain the necessary information on the property of the councillor and submit same to SASRIA for cover on the assets, and the municipality must arrange the necessary life and disability cover. The municipality may not extend the initial 30 day accommodation to a councillors unless it has been considered by the municipal council.

Implementation of the notice

The Municipal council needs to submit the upper limits notice to its municipal council for approval, where after the resolution of the council needs to be submitted to the MEC in order to obtain concurrence from the MEC. The requirement for concurrence also applies to the introduction of the tools and trade.

Once the concurrence of the MEC has been obtained, the increased salaries can be implemented.

Attention is drawn to the fact that the notice require the development of a number of policies that must be developed to govern the implementation of benefits. The municipality must ensure that the following policies are in place to ensure the implementation of the benefits allowed to councillors;

- A travel allowance policy for full time and part time councillors, including those appointed to district councils;
- A policy on the reimbursement of out of pocket expenses incurred by all councillors
- A policy for the reimbursement of cell phone expenditure incurred by part time councillors appointed to a district municipality; and
- A policy for the provision of alternative accommodation for councillors in case of damage to or destruction of their homes.

The requirement for a log book to be kept in the event where a travel allowance is structured as part of the total remuneration package of a councillor, remains applicable.

Kindly find attached hereto the relevant Notice in the Government Gazette with regards to the determination of the upper limits of salaries, allowances and benefits of councilors for the 2014/2015 financial year, which is self-explanatory.

Section 3: Corporate Services

The grading of Bitou Local Municipality is determined as follows:

Total Municipal Income (2014)	R 413 961 914	- 33,33 Points
Total population	49 162	- <u>8.33 Points</u>
Total Points		<u>41.66 Points</u>

Bitou Local Municipality, in terms of the determination, is thus graded as a grade 3

Legal Implications

The Remuneration of Public Office Bearers Act, 1998, states in Section 7, the following:

“ 7. (1) The upper limit of salaries of the different members of Municipal Councils shall from time to time be determined by the Minister, after consultation with the member of the Executive Council responsible for local government in each province, by notice in the Gazette after taking into consideration-

- (a) the recommendations of the Commission;*
 - (b) the respective role, status, duties, functions and responsibilities of the different members of Municipal Councils;*
 - (c) the different categories or types of municipalities, having regard to their respective powers, duties and functions;*
 - (d) the gross income, the area of jurisdiction and the nature of settlement of each municipality;*
 - (e) the affordability of different levels of remuneration of public office bearers;*
 - (f) the current principles and levels of remuneration in society generally;*
 - (g) the need for the promotion of equality and uniformity of salaries, allowances and need for the equal work performed;*
 - (h) the provision of uniform norms and standards nationally to address disparities; and*
 - (i) inflationary increases.*
- (2) Subject to the provisions of subsection (1), a member of a Municipal Council is in addition to his or her salary as a member of the Municipal Council to which he or she has been directly elected, entitled to an allowance in respect of his or her membership of any other Municipal Council, and such allowance shall be determined by such other Municipal Council by resolution with a supporting vote of the majority of its members, in consultation with the member of the Executive Council responsible for local government in the province concerned.*

Section 3: Corporate Services

- (3) *The salary and allowances of a member of a Municipal Council is determined by that Municipal Council by resolution of a supporting vote of a majority of its members, in consultation with the member of the Executive Council responsible for Local government in the province concerned, having regard to-*
 - (a) *the provision of subsection (1);*
 - (b) *the upper limit as set out in the said notice; and*
 - (c) *the financial year of Municipal Councils.*
- (4) *The salaries and allowances of members of Municipal Councils shall annually for a charge against and be paid from the budget of a municipality concerned.*
- (5) *The salaries and allowances paid to and the benefits paid on behalf of a member of a Municipal Council in terms of a law, prior to the coming into operation of this Act, shall be deemed to have been determined under the Act."*

In terms of Subsection 3 of the abovementioned legislation, the Municipal Council needs to determine the salary and allowances of its members in consultation with the applicable MEC. Technically this means that if Council resolve to implement the increase in salaries, the MEC's written consent/permission must first be obtained before commencing with the increases in salaries/pay-outs.

Section 167 of the MFMA stipulates as follows:

- "(1) A municipality may remunerate its political office-bearers and members of its political structures, but only—*
- (a) within the framework of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998), setting the upper limits of the salaries, allowances and benefits for those political office-bearers and members; and*
 - (b) in accordance with section 219 (4) of the Constitution.*
- (2) Any remuneration paid or given in cash or in kind to a person as a political office-bearer or as a member of a political structure of a municipality otherwise than in accordance with subsection (1), including any bonus, bursary, loan, advance or other benefit, is an irregular expenditure, and the municipality—*
- (a) must, and has the right to, recover that remuneration from the political office-bearer or member; and*
 - (b) may not write off any expenditure incurred by the municipality in paying or giving that remuneration.*
- (3) The MEC for local government in a province must report to the provincial legislature—*
- (a) any transgressions of subsection (1); and*
 - (b) any non-compliance with sections 17 (3) (k) (i) and (ii) and 124 (1) (a)."*

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Financial Implication

The remuneration of Councillors is determined annually by the Department of cooperative Governance in terms of the Remuneration of Public Office Bearers Act, Act 20 of 1998.

The following table indicate the total cost to company salaries and allowances applicable as gazette

Grade 3	No	Remuneration Package	Cellphone and data card Allowance	Cost per councillor	Cost to Council
Executive Mayor	1	718 495.00	24 468.00	742 963.00	742 963.00
Deputy Mayor	1	574 796.00	24 468.00	599 264.00	599 264.00
Speaker	1	574 796.00	24 468.00	599 264.00	599 264.00
Mayco Member	2	538 872.00	24 468.00	563 340.00	1 126 680.00
Ordinary Councillor	8	215 548.00	24 468.00	240 016.00	1 920 128.00
Total					4 988 299.00

Comments: Chief Financial Officer

Sufficient provision is made in the 2014/2015 budget for the remuneration in accordance with the upper limits for a Grade 3 Municipality as set out in the promulgation.

It should thus be noted that the increases are adequately provided and affordable to the municipality.

Recommended by the Municipal Manager

1. That the Grade of the Bitou Local Municipal Council be determined in terms of the relevant Government Notice No 38608 dated 25 March 2015, as follows:

Total Municipal Income (2014)	R 413 961 914	33,33 points
Total Population (Statistics SA - 2011)	49 162	8.33 points
	Total Points	41.66 points

Bitou Local Municipal Council is thus graded as a 3

2. That the remuneration of the members of the Bitou Local Municipal Council be determined, in terms of the relevant Government Notice No 38608 dated 25 March 2015, at the upper limit of a Grade 3
3. That, read with 2. above, the total annual remuneration packages of the respective members of the Bitou Local Municipal Council which includes a basic salary component, a travel allowance as provided in items 6(a) and 10(a) of the

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determination housing allowance as provided in item 6(b) and 10(b) of the determination, the municipal contribution to a pension fund as provided in item 13(a) of the determination and the municipal contribution to a medical aid scheme as provided in item 13(b) of the determination, together with the upper limits of cellphone and data allowances as provided in item 11(a) and (b), be thus determined as follows:

Executive Mayor	742 963.00
Deputy Mayor	599 264.00
Speaker	599 264.00
Members of the Executive Committee	563 340.00
Councillors	240 016.00

4. That the member of the Executive Council responsible for Local Government in the Western Cape Province, be petitioned to seek concurrence of the determination of the remuneration of members of the Bitou Local Municipal Council, as mentioned in 2 and 3 above.

Section 4

Department: Community Services

Section 4: Community Services

ITEM C/4/73/04/15

Mayoral Committee Meeting for recommendation to Council

ACQUISITION OF PORTION 25 OF THE FARM 437, HILLVIEW BY PRIVATE TREATY

Dept.: Community Services **Demarcation:** All Wards

File Ref: 18/25/437

Attachments:

1. Deeds search of Erf 25 of 437 Hillview,
2. Locality Plan
3. Agreement and Conditions of sale.

Report from: Human Settlement & Housing, Parks and Recreation, Sport and Public Facilities Management

Date: 20 April 2015

Purpose of report:

To obtain support and approval from the Municipal Council to submit an offer for the purchase of Portion 25 of the Farm Hillview 437; (21,413 Ha)

Background / Discussion

The auction of this property was advertised in the Business Rapport some three (3) weeks ago. This property is situated right next to one of the Wavelengts 252 (Pty) Ltd properties (Portion 2 of 437 Hillview), of the then R29 million proposed land deal, which was cancelled.

Portion 25 of the Farm Hillview 437, was in terms of a liquidation order placed on public auction on 10th April 2015.

The Municipal Manager and the Executive Mayor, and Manager Legal Services were advised of the auction and instructed to investigate the possibility of acquiring the land, at a reasonable price.

According to the Auctioneers who is acting on behalf of the Liquidators appointed to wind-up the affairs of the owner of the land, currently in liquidation, the land is valued at R 1 000 000.00.

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The Manager Legal Services liaised with the auctioneers prior to the auction and they advised that the Municipality can make an improved offer to any offer which will be made and received on the day of the Auction. The highest bid made at the auction was in the amount of R460 000.00. An offer in the said amount of R460 000 was subsequently received by the auctioneers. An improved offer can still be made on or before 24 April 2014 which will be considered by the Liquidators for acceptance.

In light of the above it is proposed that the Municipality make an improved offer of R550 000 for the purchase of the land.

In the circumstances, the amount of R 550 000.00 is deemed to be fair, reasonable and competitive.

Comments: Chief Financial Officer

The recommendation by the Municipal Manager is supported.

Comments: Manager Legal Services

The recommendation by the Municipal Manager is supported.

Recommended by the Municipal Manager

1. That the Municipal Council support and approve, the proposed acquisition of Portion 25 of the Farm Hillview (No. 437 (21,413 Ha).
2. That the Municipal Manager be authorized to follow the necessary administrative processes for the acquisition of the land.
3. That the Municipal Manager be authorised to conclude the Deed of Sale should the offer be accepted.