



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

**NOTULE VAN 'N SPESIALE RAADSVERGADERING VIRTUEEL GEHOU OM 10:00 OP
DONDERDAG 21 MEI 2020 TE BREDASDORP**

**MINUTES OF A SPECIAL COUNCIL MEETING HELD VIRTUALLY ON THURSDAY,
21 MAY 2020 AT 10:00 IN BREDASDORP**

RAADSLEDE / COUNCILLORS

MNR	R J BAKER	
MNR	G D BURGER	
MNR	D J EUROPA	
ME	E C MARTHINUS	
MNR	J G A NIEUWOUDT	(Speaker)
ME	M OCTOBER	
ME	E L SAULS	
MNR	P J SWART	(Burgemeester)
ME	Z TONISI	(Onder-Burgemeester)

AMPTENARE / OFFICIALS

Mnr D O'Neill	Munisipale Bestuurder
Mnr H Van Biljon	Direkteur: Finansiële Dienste
Mnr A Jacobs	Direkteur: Infrastruktuurdienste
Mnr H Kröhn	Direkteur: Bestuursdienste
Mnr G M Moelich	Bestuurder: Administrasie
Me A Jonker	Snr Admin Beampte: Komiteedienste

1. **OPENING**

Die Speaker heet die teenwoordiges welkom en wens Raadsdame Marthinus geluk met haar verjaarsdag.

2. **AANSOEKE OM VERLOF TOT AFWESIGHEID / APPLICATIONS FOR LEAVE**

Geen.

3. **NOTULES VAN VORIGE VERGADERINGS VOORGELê VIR BEKRAGTING**

Notule van spesiale Raadsvergadering gehou op 27 April 2020 word aangeheg op **bladsy 1 tot 5** van die bylae.

BESLUIT 61/2020

Die Notule van spesiale Raadsvergadering gehou op 27 April 2020 word as korrek en volledig bekragtig.

4. **VOORLEGGING**

Mnr Willem van Zyl verduidelik kortliks die prosedure aangaande die hou van “visuele” vergaderings.

Die Speaker beantwoord sekere vrae vanaf Raadslede wat verband hou met die prosedure gedurende “visuele” vergaderings.

5. **RULES OF ORDER FOR CONDUCTING VIRTUAL MEETINGS OF COUNCIL AND ITS COMMITTEES**

Vind aangeheg op **bladsy 6 tot 29** van die bylaes die “*Rules of Order Regulating the Conduct of Meetings*” gedateer 18 Oktober 2013 asook die “*Rules of Order for Conducting Virtual Meetings of Council and its Committees*” apart aangeheg as **bylae 2**.

Die Speaker meld die volgende: (i) Persone wat vanaf die begin van ‘n vergadering “aanlock” sal geag word as teenwoordig tydens die volle duur van die vergadering; (ii) Wanneer In Komitee items behandel word sal persone wat nie teenwoordig mag wees nie, vir daardie tydperk afgehaal word; (iii) Vir die doel van die agenda, sal die vergadering aangedui word as gehou te word in die Raadsaal te Bredasdorp.

BESLUIT 62/2020

Die Raad neem kennis van die “*Rules of Order Regulating the Conduct of Meetings*” asook die “*Rules of Order for Conducting Virtual Meetings of Council and its Committees*”.

6. **SALARY WAGE COLLECTIVE AGREEMENT**

PURPOSE OF REPORT

For Council to note the intended actions of some Western Cape municipalities of applying for a waiver in terms of the Main Collective Agreement for the payment of annual salary increases.

BACKGROUND

The annual salary increases of permanent staff are negotiated nationally every three years between SALGA, the two member unions and the South African Local Government Bargaining Council (SALGBC). Municipalities are then required to implement these increases annually as per the negotiated agreement.

DISCUSSION

The issue of annual salary increases has once again been highlighted, as it has been for many years before, during the budget preparation of municipalities, due to the fact that the negotiated increases are two to three percent higher than the inflation rate, and as the personnel budgets in most municipalities are the largest expenditure item on the operational budgets, it has a significant effect on increases of rates and tariffs.

As councils do not have control over these increases, due to the manner in which they are negotiated, they are somewhat compelled to budget and allow for the increases. This is also contrary to the increases for senior management and councillors, that for the last number of years were kept strictly close to the, and in some cases even less than the inflation rate.

The matter will always be contentious in times when there is slow or no economic growth, as the case is currently, and more pressure is put on local government from the central treasury to continue to implement cost saving measures in order to keep annual rates and tariff increases to the minimum, while still providing efficient and effective services.

With the above in mind, a number of municipalities are considering a zero or inflation based increase, contrary to what was negotiated nationally, in order to make their budgets balance and keep the increases within the inflation targets. However, the only remedy currently available to municipalities, is to apply for a waiver to the SALGBC in terms of the Main Collective Agreement. This needs to be supported by a council decision and will trigger an affordability assessment, where councils are then required to show, that they are financially not capable to afford the negotiated increases. The assessment is a tedious and rigorous process and must obviously be supported by the required evidence.

Due to the above and the fact that the revenue budgets of municipalities will be put under further pressure by the Corona-19 pandemic, SALGA was requested to investigate the possibility of a blanket application to the SALGBC for a waiver as this pandemic will affect all municipalities in the country. The current advice, supported by the prescripts of the Main Collective Agreement, is that municipalities must apply individually for the waiver. However, SALGA is also in the process of obtaining a legal opinion.

FINANCIAL RESPONSIBILITIES

The current financial implication is an increase of 6.2% allowed for in the 2020/21 budget. The expectation is that it will be approved as part of the 2020/21 budget.

PERSONNEL IMPLICATIONS

Strikes and other organised labour actions will be a strong possibility.

MANAGEMENT RECOMMENDATION

- (i) That Council notes the content of the report.
- (ii) That any further actions in this matter only be considered on advice from SALGA.

RESOLUTION 63/2020

That the management recommendation be accepted as a resolution of Council.

7. **DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND BENEFITS OF DIFFERENT MEMBERS OF MUNICIPAL COUNCILS**

The Municipal Manager reports as follows:

“Government Notice No. 475 in Government Gazette No. 43 246, dated 24 April 2020 dealing with the remuneration of councillors of municipal councils was received on Friday, 24 April 2020. A copy of the Notice is attached as annexure. **(Bound separately as Annexure A)**

In terms of §4(1) of the notice Cape Agulhas Municipality is determined as a grade 3 municipality based on the following criteria:

- Total Municipal Income (Excluding transfers and / or grants as well as VAT refunds); and
- Total Population

(A copy of the Affordability Verification Certificate, signed by the Municipal Manager, is attached as Annexure B)

The net financial impact in respect of the proposed increase reflects at R188 142 or 3,47% compared to the previous financial year's increase. The cellphone and mobile data bundles allowances for councillors remained unchanged compared to the previous financial year at R3,400 per month and R300 per month respectively, if not provided by the municipality. A total amount of R5,763,700 was budgeted for council remuneration in the 2019/20 financial year whilst the actual cost based on a grade 3 municipality's increase reflects at R5,602,429 should the cellphone allowance remains unchanged as per council resolution.

The total remuneration packages of the Executive Mayor, the Speaker, Deputy Mayor and the full-time members of the Executive Committee set out in §5 and §9 reflects at R860 859, R688 688 and R645 646 respectively. *(Increase of 4,00% compare to the previous financial year, excluding cellphone and mobile data bundles benefit)*

The allowances of councillors appointed to governance structures of organized local are set out in §7. According to §7(1)(a & b) these councillors are entitled to receive an allowance of not more than R1103.23 per sitting of any governance structure of organized local provided that this allowance is limited to R1103.23 per day regardless the number of meetings that are attended by such councilor. However organized local government is responsible for the payment of above-mentioned allowance, accommodation and the reimbursement of travel expenditure incurred by a councilor during performance of official functions. The prescribed allowance reflects an estimated increase of 4,00% compares to the 2018/19 financial year.

The total remuneration package of part-time councillors are set out in §8 and §9, reflected at R272 430. *(Increase of 4,00% compare to the previous financial year, excluding cellphone and mobile data bundles benefit)*

Councillors are allowed to structure their total remuneration package (see definition of "total remuneration package) to include a travelling allowance, a housing allowance, contribution to a pension fund and medical aid scheme as provided in the above mentioned Gazette.

Medical and pension benefits for councillors who wish to structure their total remuneration package to include such benefits are set out in §13. See definition of "total remuneration package". Therefore, councillors are entitled to participate in a pension, provident or retirement annuity fund registered in terms of the Pension Fund Act, 1956 (Act No. 24 of 1956). (Such contributions form part of the Total Remuneration Package.) Refer to the definition of Total Remuneration Package.

Cellphone allowances for councillors are stipulated in §11. This benefit is given **in addition** to the total remuneration package. The mentioned section stipulates that a councilor may be paid a cellphone allowance not exceeding R3 400 per month in accordance with the applicable council policy which is currently determined at R2 400 per month. *(No increase on the upper limit compare to the previous financial year.*

Furthermore section 12 of the mentioned Gazette allows for a fixed allowance to councillors of not more than R300 per month for the use of mobile data cards **in addition** to the annual total remuneration structure, if not provided by the municipality. *(No increase compares to the previous financial year)*

In summary, allowances payable are therefore as follows:

	Total Remuneration	Cellphone allowance (Maximum)	Mobile Data Card allowance (Maximum)
Exec. Mayor	860 859	3 400 x 12	300 x 12
Deputy Mayor & Speaker	688 688	3 400 x 12	300 x 12
Full-Time Executive Comm.	645 646	3 400 x 12	300 x 12
Other Part-Time Cllrs.	272 430	3 400 x 12	300 x 12

Certain key features of the notice compared to the previous financial year are the following:

- The Councillor salaries, allowances and benefits reflects a nett increase of almost 4,00% in respect of the Executive Mayor, the Speaker, Deputy Mayor, the full-time members of the Executive Committee and other part-time councillors effected from the 1st July 2019 and the cellphone allowance remains unchanged at R3 400 per month;
- Sitting allowance payable in respect of councillors appointed to governance structures of organized local government subject to the payment from organized local government increased to R1 103.23 or 4,00% per sitting provided that this allowance is limited to the same amount per day regardless the number of meetings attended;
- The maximum cellphone allowance payable to a councilor remains unchanged at R3 400 per month as well as the fix allowance of not more than R 300 per month for the use of mobile data cards which also remains unchanged;
- In addition to the total remuneration package provided, a municipality must take out risk insurance cover to provide for the loss of or damage to a councillor's property or assets arising from any riot, civil unrest, strike or public disorder - §14 (A councillor's is obliged to submit the necessary details prescribed to the municipality and failure to do so will forfeit the benefits associated with the special risk insurance cover);
- A Council may extend tools of trade to a councilor in consultation with the member of the Executive Council (MEC) responsible for local government in the province concerned and based on accessibility, affordability, cost control and value of tools of trade - §15;
- A municipality may also contribute towards the payment of cost towards capacity building initiatives directed at councillors and must be informed by capacity building needs of a municipality and / or affordability levels of the municipality - §16; and
- Any remuneration paid to a councilor otherwise than in accordance with section 17(1) of the MFMA, including any bonus, bursary, loan, advance or other benefit is an irregular expenditure and the municipality must recover and may not be written-off – Section §17 have reference.

Sufficient provision has been made in the current budget to cover for the annual increase of councillors remuneration at an average of 4,00%.

Payment will only be made once the concurrence of the member of the Executive Council (MEC) responsible for local government has been obtained, as stipulated in the preamble of the Government Notice.

Councillors preferring to restructure their Total Remuneration Package to include a travelling allowance (currently at 25%), a housing allowance and/or pension fund and/or medical aid contribution will have to indicate same in writing to the Municipal Manager before 4 May 2020 and by failure to do so the municipality will maintain the status quo."

The Municipal Manager recommends as follows:

MANAGEMENT RECOMMENDATION: 27 APRIL 2020

- (i) Council takes note of its classification as a grade 3 municipality.
- (ii) Council consider to grants approval for the remuneration of its councillors in accordance with Regulation Gazette Notice No. 43246 dated 24 April 2020 with retrospective effect from 1 July 2019.
- (iii) Council grants approval for the payment of a cellphone allowance of R3 400 per month to the Executive Mayor, Speaker, Deputy Mayor, full-time members of the Mayoral Committee and all other councillors.
- (iv) Council grants approval for the payment of a mobile data card fix allowance of R300 per month to full-time and part-time councilors. (If a councilor receives a municipal tablet the monthly benefit may not exceed the value of the allowance stipulated).
- (v) Council obtains the concurrence of the MEC for Cooperative Governance, Human Settlement and Traditional Affairs regarding recommendations 1 – 4 before implementation thereof as stipulated in the preamble of Notice No. 43246 of 24 April 2020.

RESOLUTION 60/2020: 27 APRIL 2020

- (i) That the management recommendation be accepted as a resolution of Council.
- (ii) That all councillors instruct the Municipal Manager in writing on any deductions to be effected for the purpose of contributing to council's COVID-19 Fund.

MANAGEMENT RECOMMENDATION

That the above resolution be ratified by Council.

RESOLUTION 64/2020

That the management recommendation be accepted as a resolution of Council.

Hierna verdaag die vergadering om 11:05

BEKRAGTIG op hierdie

dag van

2020

SPEAKER

DATUM: