



**MINUTES OF AN ORDINARY MEETING OF THE SWARTLAND MUNICIPAL COUNCIL HELD AT THE COUNCIL CHAMBER, MALMESBURY ON THURSDAY, 29 MAY 2025 AT 10:00**

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**PRESENT:**

Speaker, ald M A Rangasamy  
Executive Mayor, ald J H Cleophas  
Executive Deputy Mayor, ald J M de Beer

**COUNCILLORS:**

Bess, D G (DA)	Penxa, B J (ANC)
Booyesen, A M (FF+)	Pieters, C (ANC)
Fortuin, C (ANC)	Pypers, D C (DA)
Gaika, M F (EFF)	Smit, N (DA)
Jooste, R J (DA)	Van Essen, T (DA)
Nel, M (DA)	Vermeulen, G (FF+)
Ngozi, M (ANC) [joined later]	Warnick, A K (DA)
O'Kennedy, E C (DA)	Williams, A M (DA)
Papier, J R (GOOD)	White, G E (PA)

Officials:

Municipal Manager, mr J J Scholtz  
Director: Financial Services, mr M A C Bolton  
Director: Civil Engineering Services, mr L D Zikmann  
Director: Electrical Engineering Services, mr T Möller  
Director: Protection Services, mr P A C Humphreys  
Director: Corporate Services, ms M S Terblanche  
Director: Development Services, ms J S Krieger  
Manager: Secretariat and Records, ms N Brand

**EXCERPT FROM MINUTES:**

**8. MATTERS FOR CONSIDERATION**

**8.3 APPROVAL OF THE FINAL MULTI YEAR CAPITAL AND OPERATING BUDGETS, FINAL BUDGET AND RELATED POLICIES, PROPERTY RATES, TARIFFS AND OTHER CHARGES FOR 2025/2026, 2026/2027 AND 2027/2028 (5/1/1/1, 5/1/1/2 – 2025/2026, 5/1/4)**

The Speaker gave the Executive Mayor, Ald J H Cleophas, an opportunity to deliver his fourth State of the Municipal Address as Executive Mayor of the Swartland Municipal Council (see attached for the sake of completeness).

As introduction to the State of Municipal Address, the Executive Mayor confirmed that a budget is presented which reflects Swartland Municipality's shared commitment to responsible governance, economic resilience, and inclusive growth. The Executive Mayor further elaborated on the following four priorities, namely

- (1) Investment in infrastructure to secure a sustainable future;
- (2) Meaningfully addressing housing needs;
- (3) Safety, which remains an absolute shared priority;
- (4) Investment in our communities by addressing social degradation.

The Executive Mayor/...

8.3/...

The Executive Mayor, referring to Section 23 of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (MFMA), confirmed that careful consideration has been given to the inputs received during the public participation process.

The approval of the multi-year capital and operating budgets, amended budget-related policies, levying of property tax, rates and other levies for 2024/2025, 2025/2026 and 2026/2027 is put to a vote and is decided (in the absence of two (2) councillors) with 13 councillors in favour and eight (8) councillors abstaining from vote.

## RESOLUTION

(proposed by Ald J H Cleophas, seconded by Ald J M de Beer)

- (a) That having considered all of the representations (**Annexure A, Inputs received on Draft Budget**) received by 30 April 2025, in its entirety, including the inputs made during the Mayoral Consultative Forum meeting held on 16 April 2025, the following amendments to the proposed final budget are made:
  - (i) The rebate of R300 000 to increase to R400 000;
  - (ii) Increased financial assistance to the registered old age care facilities in Swartland by having reduced their charges for water;
  - (iii) Income threshold for qualifying indigent households increases to R4 660.00;
  - (iv) The CFO be tasked with financing the around R2m in additional expenditure to give effect to the above;
  - (v) That council approve the final amendments to the Indigent-, Municipal Property Rates, Funding & Reserves and the Budget Implementation & Monitoring Policies, occasioned by the suggestions/ input considered during the meeting of the 16th of April 2025 and or other input, read together with recommendation (r);
  - (vi) That the Disaster Management and Fire- and Emergency Services Department's capacity be extended with 2 additional key appointments;
- (b) That council consider the inputs received from the Provincial Treasury (SIME report), especially the PT's cautioning of reduced planned surpluses over the outer years not being in line with Council's historical performance, potentially impacting future sustainability (**Annexure A, Inputs received on Draft Budget**);
- (c) That no further amendments be made to the council's MTREF, given council's longer-term vision to ensure a high standard of sustainable service delivery, the need for massive investment in water and sewerage infrastructure starting from year 3, without placing an additional burden on the paying public. This view aligns with the PT's draft budget analysis, cautioning the municipality to consider the impact of the planned reduced surpluses in the outer years as it could impact future investment in infrastructure and ultimately financial sustainability (**Annexure A, Inputs received on Draft Budget**);
- (d) That council takes note that the costs as envisaged by Section 19 (2)(a)(b) were derived after consultation with the respective director(s) who has confirmed the costs as per (**Annexure B: 2025/2026 – 2027/2028 Final Budget and Tariff File**) and consider same;
- (e) That council prior to approving the capital projects above R 50 million as listed in (**Annexure C: 2025/2026 – 2027/2028 Capital Projects ito Sec 19**), first consider the projected cost covering all financial years until the project is operational and the future operational costs and revenue on the project, including municipal tax and tariff implications;
- (f) That council deemed it appropriate to consider the entire capital program excluding the 4 contractually combined projects above R 50 million as the aforementioned capital program's operational cost, inclusive of future costs will be covered by the rates regime and the normal cost centres found in the operational budget;
- (g)/...

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- (g) That council approves the additional R 5.1 million required for the Highlands Landfill: Security Wall due to the initial cost estimate that was done during August 2024 for a 2.4m high concrete palisades at R 4.5 million, having the impact of higher maintenance and security costs on the operational account, taking the cost to R 9.6 million. Council to note that the external loan financing source was replaced with CRR funding for the Highlands New Landfill site Cell;
- (h) That council considers the funding sources linked to council's capital program and take note that these funding sources are available and have not been committed for other purposes;

FINANCING SOURCES	FINAL BUDGET 2025/26	FINAL BUDGET 2026/27	FINAL BUDGET 2027/28
Capital Replacement Reserve (CRR)	R 143 511 923	R 138 083 611	R 156 818 041
External Loans	R 30 000 000	R -	R -
Municipal Infrastructure Grant (MIG)	R 25 405 000	R 27 293 000	R 28 388 000
Dept. of Infrastructure	R 58 112 132	R 38 657 000	R 103 110 672
Integrated National Electrification Programme (INEP)	R 17 821 124	R 20 868 000	R 21 811 000
Water Services Infrastructure Grant	R 17 044 000	R -	R -
Regional Socio-economic Projects	R 78 261	R -	R -
Fire Service Capacity Support Grant	R 478 261	R -	R -
Water Resilience Grant	R 1 304 348	R -	R -
Dept. Cultural Affairs and Sport	R 43 478	R 43 478	R 43 478
<b>GRAND TOTAL</b>	<b>R 293 798 527</b>	<b>R 224 945 089</b>	<b>R 310 171 191</b>

- (i) That council approves the capital projects as part of its consolidated capital program as per **(Annexure B: 2025/2026 – 2027/2028 Final Budget and Tariff File)**;
- (j) That council approves the raising of an external loan to the amount of R 30 million for the new 2025/26 MTREF for the partial financing of the 132/11kV Eskom Schoonspruit Substation capital project, by means of testing the market as envisaged by MFMA section 46, requesting tenders from the financial institutions;
- (k) That the following total expenditure by vote (per directorate) be approved, which includes both operating and capital expenditure per directorate (VOTE), in order that departments pro-actively prevent unauthorised expenditure;

2025/26 MTREF	Capital Expenditure by Vote			Operating Expenditure by Vote			Total Expenditure by Vote		
R thousands	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28
Vote 1 - Corporate Services	573	575	577	49 233	52 164	55 536	49 807	52 739	56 113
Vote 2 - Civil Services	143 991	116 213	145 139	431 330	451 042	472 550	575 321	567 255	617 690
Vote 3 - Council	12	12	12	25 469	26 504	27 629	25 481	26 516	27 641
Vote 4 - Electricity Services	88 166	62 174	59 942	559 645	599 564	643 261	647 810	661 737	703 203
Vote 5 - Financial Services	168	76	672	84 577	90 928	97 432	84 745	91 003	98 104
Vote 6 - Development Services	59 076	44 747	103 205	172 555	212 688	170 291	231 632	257 435	273 496
Vote 7 - Municipal Manager	12	12	12	11 298	11 910	12 679	11 310	11 922	12 691
Vote 8 - Protection Services	1 800	1 136	612	124 701	131 430	138 699	126 501	132 566	139 311
<b>Grand Total</b>	<b>293 799</b>	<b>224 945</b>	<b>310 171</b>	<b>1 458 809</b>	<b>1 576 229</b>	<b>1 618 077</b>	<b>1 752 608</b>	<b>1 801 174</b>	<b>1 928 248</b>

- (l) That the final high-level multi-year Capital and Operating budgets in respect of the **2025/2026 – 2027/2028** financial years, be approved as final, in accordance with sections 16, 17 and 19 of the MFMA;

Table/...

	<b>Original Budget 2024/25</b>	<b>Adjustments Budget 2024/25</b>	<b>Final Budget 2025/26</b>	<b>Final Budget 2026/27</b>	<b>Final Budget 2027/28</b>
Capital budget	376 477 670	325 809 079	293 798 527	224 945 089	310 171 191
Operating Expenditure	1 189 045 717	1 210 970 777	1 458 809 231	1 576 228 890	1 618 076 969
Operating Revenue	1 458 996 894	1 485 060 204	1 606 490 727	1 676 968 153	1 777 306 422
<b>Budgeted (Surplus)/ Deficit</b>	<b>(269 951 177)</b>	<b>(274 089 427)</b>	<b>(147 681 496)</b>	<b>(100 739 263)</b>	<b>(159 229 452)</b>
Less: Capital Grants & Contributions	246 062 275	247 277 010	120 565 734	86 861 478	153 353 150
<b>(Surplus)/ Deficit</b>	<b>(23 888 902)</b>	<b>(26 812 417)</b>	<b>(27 115 762)</b>	<b>(13 877 785)</b>	<b>(5 876 302)</b>

- (m) That council approves the notice given in terms of section 14(1) and (2) of the Local Government: Municipal Property Rates Act, 2004, to levy the final property tax rates (cent in the rand amount), exemptions and rebates on property reflected in the schedule below and in the property rates policy for the 2025/26 financial year with effect from 1 July 2025;

<b>Category of property</b>	<b>Rate ratio</b>	<b>Cent amount in the Rand rate determined for the relevant property category</b>
Residential properties	1: 1	0.005623
Business and Commercial properties	1: 1,6671	0.009374
Industrial properties	1: 1,6671	0.009374
Agricultural properties	1: 0,25	0.001406
Mining properties	1: 1,6671	0.009374
Public Service Infrastructure	1: 0,25	0.001406
Properties owned by an organ of state and used for public service purposes	1: 1,6671	0.009374
Public Benefit Organizations	1: 0	0.000000
Vacant properties	1: 1,4965	0.008415
Municipal properties	1: 0	0.000000
Conservation Areas	1: 0	0.000000
Protected Areas	1: 0	0.000000
National Monuments	1: 0	0.000000
Informal Settlements	1: 0	0.000000

#### **Exemptions and Reductions**

- **Residential Properties:** For all residential properties, the municipality will not levy a rate on the first R15 000 of the property's market value. The R15 000 is the statutory impermissible rate as per section 17(1)(h) of the Municipal Property Rates Act.

#### **Rebates in respect of a category of owners of property are as follows:**

- **Indigent owners:** 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy to a maximum valuation of R105 000;
- **Qualifying senior citizens, qualifying Indigent owners and disabled persons:** A rebate to an amount equal to the rates payable on the first amount of the valuation of such property to a limit of R300 000. The rebate will increase to R400 000 as it relates to the 2025/2026 policy effective for the 2026/2027 financial year.

**NB:** Please refer to the municipality's property rates policy in respect of all rebates offered.

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- (n) That council approve the final property tax rates, tariff structures and charges for water, refuse removal, sewerage, electricity and other sundry charges as set out in **(Annexure B: 2025/2026 – 2027/2028 Final Budget and Tariff File)**;
- (o) That council approve the electricity tariffs for the 2025/2026 financial year, **bearing in mind that it is still subject to NERSA's review**;
- (p) That the phasing in of the restructured electricity tariffs, per the cost of supply study, are planned for implementation in 2026/27;
- (q) That the annual budget tables as required by the Budget and Reporting Regulations be approved as set out in **(Annexure D: Budget Report and A-Schedules 2025/2026 – 2027/2028)**;
- (r) That the **amendments** to the budget and related policies as set out in **(Annexure E: Final Amended Budget & Related Policies 2025/2026)** hereto, be approved as final;
- (s) That council takes note that any changes to budget related policies insofar as it relates to the delegations, will be amended after final budget adoption;
- (t) That the training budget of R 1 782 533 for the 2025/2026 financial year be approved as final;
- (u) That Council takes note of the increases of the Directors that are contractually linked to the other personnel, which is negotiated and determined at a national level:
  - In respect of all personnel, an increase of **5.01%** for 2025/2026; **5.25%** for 2026/2027 and **5.75%** for the 2027/2028 financial years, excluding the increase in other benefits that are applicable and the annual 2.415% notch increase where applicable;
  - All salary adjustments are adequately budgeted for;
  - Provision has been made for a **3%** increase for political office bearers which is within the mid band of the inflation targets set by the South African Reserve Bank (SARB).
- (v) That Council takes note of the budgeted operating surpluses and that the budget is "cash-funded" as a result of cash reserves in table A8, the total expenditure growth of **20.5%** from the current to the new financial year and the revenue streams with growth in revenue of **8.2%** for the MTREF period as well as the cash flow statement as per **(A-schedule A7)** for the next three financial years;
  - the budgeted risk factor for cash coverage for operating expenses are **9.2 months** for 2025/26, **8.9 months** for 2026/27 and **8.9 months** for 2027/28;
  - the net operating surpluses **excluding capital grant income** decreased compared to the draft budget as a result of allocations from the Provincial Department of Infrastructure relating to Proclaimed roads for which the municipality must contribute 20%, increasing the draft expenditure appropriation;
  - over the next three financial years the planning is such that net operating surpluses **(excluding capital grant income)** are envisaged for 2025/26 to an amount of **R 27 115 762**, for 2026/27 an amount of **R 13 877 785** and for 2027/28 an amount of **R 5 876 302** which is well **below the NT guideline of at least a surplus of 5%**. (At this juncture it is appropriate to emphasize that the aforementioned net surpluses is the more appropriate measurement of budgeted surpluses/deficits from a budgeted cash flow perspective)

(w)/...

8.3/...

- (w) That council takes note that the extensive revenue modelling exercise, includes a proportion for growth, given the trend of increased household consumption and services connection growth;
- (x) That the Director: Financial Services adhere to the requirements of the Budget Circulars and Budget Reforms in the context of the reporting requirements to Provincial and National Treasury;
- (y) That council takes note that the 2025/26 MTREF Grant allocations included in the budget **(listed in Annexure D)**, reconcile with the PT Gazette of 26 March 2025 and the NT DORA that was re-issued late on 21 May 2025;
- (z) That Council takes note that the budget was prepared in the new mSCOA Version 6.9 as required by National Treasury.

[Note: for purposes of completeness and implementation, the English version of the recommendations will be relied upon.]

**SIGNED:  
SPEAKER**