

UGU DISTRICT MUNICIPALITY

**MINUTES OF THE 3RD MEETING OF THE UGU DISTRICT MUNICIPAL COUNCIL
HELD IN THE CIVIC CENTRE, 10 CONNOR STREET, PORT SHEPSTONE, ON
THURSDAY, 22 NOVEMBER 2016, AT 11H00.**

PRESENT:

Cllr NH Gumede - Speaker

Cllr OT Mnyayiza (Mayor: Exco Member), MA Chiliza (Deputy Mayor: Exco Member), PH Mthiyane (Exco Member), IM Mavundla (Exco Member), SP Mthethwa (Exco Member), LMR Ngcobo (Exco Member), NT Zwane (Exco Member), SB Cele, SN Caluza, BT Cele, DZ Cele, TA Disane, TW Dube, JJ East, M Gcwabe, GD Henderson, DMM Hlengwa, M Lubanyana, SE Khawula, BE Machi, MA Manyoni, H Mbatha, NCP Mqwebu, ZZ Msani, NY Mweshe, Y Nair, PT Naude, D Nciki, SR Ngcobo, HJ Ngubelanga, B Ntusi, A Rajaram and MPL Zungu,

ALSO PRESENT:

Inkosi NM Machi
Inkosi BS Nzimakwe
Inkosi ZE Ngcobo
Inkosi ZR Qwabe
Inkosi ZGB Msomi

IN ATTENDANCE:

Mr DD Naidoo	-	Municipal Manager
Ms VP Tsako	-	General Manager: Corporate Services
Ms Z Mbonane	-	General Manager: Infrastructure and Economic Development (IED)
Mr F Zama	-	Senior Manager: Mayoralty and Communications
Ms Z Dlamini	-	Manager: Internal Audit
Ms MS Olivier	-	Manager: Legal Services
Ms N Grobler	-	Acting Manager: Administration and Auxiliary Services
Ms N Surajbally	-	Administrative Officer
Ms B Malishe	-	Committee Co-ordinator
Ms T Kikine	-	Committee Clerk

• **OPENING**

The Speaker welcomed all to the meeting.

She then requested Cllr Mqwebu to open the meeting in prayer.

Also, a moment of silence was observed for the late Cllr T Zoleka, a Councillor from the Ray Nkonyeni Local Municipality, who had passed on.

C 237/11/16 NOTICE OF MEETING

The notice of meeting was taken as read.

C 238/11/16 APPLICATIONS FOR LEAVE OF ABSENCE

It was noted that Cllrs TW Dube (*council business*) and HJ Mngomezulu (*family emergency*) had requested leave of absence from the meeting.

It was also noted that Cllr SB Cele had requested to be excused from the meeting at 11h40.

Following discussion,

It was unanimously

RESOLVED:

That Cllrs TW Dube (*council business*) and HJ Mngomezulu (*family emergency*) be and are hereby granted leave of absence from the meeting.

C 239/11/16 DECLARATION OF INTEREST

It was noted that there were none.

C 240/11/16 CONFIRMATION OF AGENDA

The Speaker took members through the confirmation of the agenda.

The Municipal Manager advised the Committee that there was a First Addendum and a Second Addendum.

Cllr Mqwebu requested that the officials should ensure that members of Council were given the Addendum timeously and not on the day of the meeting.

Cllr Henderson also stressed serious concerns for the late receipt of the Second Addendum. He pointed out that he had received the said Addendum one hour before the meeting. He further proposed that the Second Addendum should be deferred to the next meeting.

The Speaker emphasised that the officials should ensure that the Addendums were delivered in time in order for members to study the reports and to prepare for the meeting.

Following which,

It was unanimously

RESOLVED:

- (a) That the agenda convening the Ugu District Municipal Council meeting be and is hereby **CONFIRMED**, subject to the inclusion of the items on the First Addendum.
- (b) That the Second Addendum be and is hereby **DEFERRED** to the next meeting.

CONFIRMATION OF MINUTES

C 241/11/16 Minutes of the 2nd Meeting of the Ugu District Council held on 27 October 2016

The Speaker took members through the confirmation of the minutes for the meeting held on 27 October 2016.

Cllr Lubanyana moved for the acceptance of the minutes and was seconded by the Cllr SR Ngcobo.

Following which,

It was

RESOLVED:

That the minutes of the 2nd Meeting of the Ugu District Municipal Council held on 27 October 2016 be and are hereby **CONFIRMED** subject to the following amendment being effected to the minutes:

- Page 1, under In Attendance, Cllr PT Naude be replaced with Cllr JJ East and Cllr Lubanyana be reflected.
- Page 2, under the Applications for Leave of Absence, the initials of Cllr SB Cele be corrected accordingly.
- Page 3, resolution (a), the word “oversees” be corrected to “overseas”.

MATTERS ARISING

C 242/11/16 Ethics Committee

Cllr Henderson referred members to page 7 of the minutes, and pointed out that the Municipal Manager was tasked to consider the establishment of an Ethics Committee. He then sought clarity on the progress of same.

The Municipal Manager apprised members that the item on the Ethics Committee was presented to the last meeting of the Executive Committee. He then assured

members that the minutes of the said meeting would be submitted to Council; once confirmed by the Executive Committee.

Following discussion,

It was unanimously

RESOLVED:

That the verbal report on the Ethics Committee be and is hereby **NOTED**.

C 243/11/16 Request for Water

Cllr Machi reminded members that a request was made that the members of Council should be provided with water during the meetings.

The Municipal Manager informed members that water was arranged, and that members would receive their water shortly.

Following discussion,

It was unanimously

RESOLVED:

That the verbal report on the Request for Water be and is hereby **NOTED**.

C 244/11/16 OUTSTANDING MATTERS

It was noted that there were none.

C 245/11/16 STANDING ITEMS

It was noted that there were none.

**C 246/11/16 MATTERS FOR DISCUSSION
Swearing In of Cllr NY Mweshe**

It was noted that Cllr NY Mweshe was sworn in to the Ugu District Municipal Council replacing Cllr ST Gumede.

C 247/11/16 Monthly Budget Statements – September 2016

The General Manager: Treasury took members through the item. She then presented the Monthly Budget Statements for the month of September 2016 in line with Section 71 of the Municipal Finance Management Act. She mentioned that the said report also covered the requirements of Section 32 and Section 11 of the MFMA.

She then referred members to the statement, and reported that the Total Revenue as at the end of the first quarter amounted to R320 240 232, and that same was 1.13% more than the estimate.

She mentioned that the Total Operating Expenditure amounted to R226 088 657, and that same was -0.22% below the estimate for the quarter.

She advised members that the Capital Expenditure that was recorded for the month of September 2016 amounted to R17 969 000. She mentioned that the Management Committee was currently working towards accelerating the expenditure, given that the target of R30 762 000 that was put in place for the month of September 2016 was not met.

She then highlighted the Cashflow of the Municipality, and pointed out that the cash and investments for the month of September 2016 reflected a balance of R337 319 074.16.

On the Outstanding Debtors, she shared with members that the debt had increased by 3.04%, i.e. to R330 722 230. She informed members that a report was prepared, and that same would be submitted to the CFOs' Forum and to the Intergovernmental Relations Forum (IGR) for discussion as per the resolution of the last Council meeting.

She also reported that a meeting was held with the National Department of Public Works, whereby the said Department had started engagement on their account.

Cllr SR Ngcobo proposed that in the interest of time, only the suggestions and comments should be entertained, given that the said report was already presented and discussed at the Portfolio Committee on Finance and at the previous meeting of the Executive Committee and was seconded by Cllr Mqwebu.

Cllr LMR Ngcobo sought clarity on the -12.91% variance that was indicated on the Total Capital Expenditure. He then pointed out that the Cash Book balance on page 28 of the agenda reflected a total amount of R331 181 586.28. He also referred to page 29 on the Cash Flow Statement and pointed out that the third column reflected an amount of R331 181 585. He then indicated a discrepancy of one rand that was missing.

He further advised members that the said concern was also raised at the previous meeting of the Executive Committee; whereby he also raised a concern of the discrepancy for an amount of 28c, and that he was assured that the said discrepancy would be corrected accordingly.

The General Manager: Treasury explained to members that the variance on page 27 would be between the year to date. She also explained that the year to date was determined by using the Total Capital Budget, which was divided by twelve (12).

In terms of the discrepancy amount that was pointed out on pages 28 and 29 of the agenda, she explained to members that the figure amount was rounded off given that the Excel Programme was used in this regard.

Cllr East referred members to the Investment Portfolio and pointed out that the Municipality's sub-total on the Market value at the end of the month reflected an amount of R315 741 074.97.

The General Manager: Treasury referred members to page 29 of the report and then pointed out to members that the Cashflow statement had a line item showing the interest at the end on the external investments, which would reflect the interest earned from the call accounts. She further explained that the said interest did not accumulate into the investment account but was transferred at the end of each month to the Municipality's general account.

In terms of pages 35 and 52 of the agenda, she confirmed that the amounts that were reflected on both the said pages were the same. She mentioned that the table that was reflected on page 52 was from the National Treasury template, which was currently being used by the Municipality. She explained that another column was included on the spread sheet, which was reflected on page 35, in order to provide detailed information to the members.

Following discussion,

It was unanimously

RESOLVED:

- (a) That the report on the Monthly Budget Statements for September 2016 be and are hereby **NOTED**.
- (b) That the Monthly Budget Statements for the month of September 2016 and the supporting documents as presented be and are hereby **NOTED**.
- (c) That the Monthly Budget Statements for the month of September 2016 and the supporting documents be submitted both to the Provincial and National Treasury in both electronic and hard copies.

EXTRACTS FROM COMMITTEES

Extracts from the meeting of the Executive Committee held on 17 November 2016

C 248/11/16 Progress on mSCOA Project Implementation

The General Manager: Treasury took members through the item.

She mentioned that there was a detailed project plan in place, which was broken up into smaller activities.

She mentioned that the mSCOA Risk Register was also updated and that the said Register was prepared together with the Internal Audit Risk Unit.

Cllr SR Ngcobo moved for the recommendations and was seconded by Cllr Mthethwa.

Following which,

It was

RESOLVED:

- (a) That the report on the Progress on mSCOA Project Implementation be and is hereby **NOTED**.
- (b) That the reviewed and updated mSCOA Project Plan be and is hereby **APPROVED**.
- (c) That the updated mSCOA Risk Register be and is hereby **APPROVED**.

C 249/11/16 Ugu Development Agency: Replacement of a Board Member

The Municipal Manager took members through the item.

He apprised members that one of the Board Members (Mr H Shezi) had passed on and that the position was now vacant. He mentioned that the said item was submitted to the meeting of the Executive Committee for onward submission to Council.

Cllr Mqwebu moved for the adoption of the recommendations.

Cllr Ntusi requested assurance that the position of the Board Member should be advertised in the public media.

The Municipal Manager advised members that the Executive Committee resolved that the Interviewing Panel should consider the remaining applicants from the previous applications, and that if there was no applicant that met the criteria, then the position should be advertised in the media.

Cllr Mthethwa suggested that the post should be advertised publicly.

The Deputy Mayor pointed out with concern that Cllr Mthethwa formed part of the members of the Executive Committee that agreed on the recommendations as reflected on page 66 of the addendum, and now he was recommending for the post to be advertised, which was improper.

Cllr BT Cele pointed out that the motion that was on the table prior to other hands, was for the motion that was raised by Cllr Mqwebu for supporting the recommendations, which he duly seconded.

Cllr Khawula emphasized that the recruitment process should be fair, whereby the position would be advertised in the public newspapers.

Cllr Mthethwa pointed out that he was in support of the recommendations except for recommendation “e” on page 66 of the addendum. He then re-affirmed that an advert should be advertised in order to ensure that previous and new applicants were fairly considered.

The Speaker took members through the history of the appointment of the Board Members. She mentioned that when the Ugu South Coast Development Agency was formed, the positions for the Board Members were advertised nationally.

She informed members that not all the applications were considered, given that the District was assigned to only nine (9) members. She then explained to members that on the list of applicants that were received, there were applicants that would have met the criteria and due to the limited number of seats, only nine (9) members were appointed. She further pointed out that same was the sole reason why the Executive Committee had recommended resolution (e).

Following a lengthy discussion,

It was unanimously

RESOLVED:

- (a) That the report on the Ugu Development Agency Replacement of a Board Member be and is hereby **NOTED**.
- (b) That the filling of the vacant Board Member position at the Ugu South Coast Development Agency be and is hereby **SUPPORTED**.
- (c) That the targeting of an African Women in the Building Environment Sector be and is hereby **SUPPORTED**.
- (d) That the Interviewing Panel consisting of the following be and is hereby **APPROVED**:

- 1 Mayor: Chairperson;

- 1 Chairperson of the Portfolio Committee on Local Economic Development;
- 1 Municipal Manager from the Local Municipalities; and
- 1 General Manager: IED.

(e) That the Interviewing Panel be and is hereby tasked to look at the previous Applications first and if there was no suitable candidate then the post be advertised.

C 250/11/16 Implementation: Back to Basics

The Municipal Manager took members through the item.

He highlighted that as at 04 October 2016, the Municipality was at 73.58%. He mentioned that the Municipality then developed a new Support Plan and to date the Municipality was at 100%, which meant that the Municipality was fully functional.

The Speaker urged Management to keep the status quo.

It was noted that Council gave Management a round of applause; however the Mayor pointed out with serious concern that the members from the Democratic Alliance (DA) did not applaud.

Cllr LMR Ngcobo assured the Mayor that the Democratic Alliance appreciated the report.

Following which,

It was unanimously

RESOLVED:

That the report on the Implementation of the Back to Basics be and is hereby **NOTED**.

C 251/11/16 Hours of Work Policy

The Municipal Manager took members through the item.

He mentioned that the purpose of the report was to present to Council the amendments made to the Hours of Work Policy on the Payment of Overtime Exemption that had been granted to the Municipality for employees at the Post Level that was above the threshold as per the provisions of the Department of Labour.

Following which,

It was unanimously

RESOLVED:

- (a) That the report on the Hours of Work Policy be and is hereby **NOTED**.
- (b) That the review of the Hours of Work Policy be and is hereby **APPROVED**.

C 252/11/16

Human Resources Plan 2016-2019

The Municipal Manager took members through the item.

He mentioned that the rationale of the report was to inform Council of the Human Resources Plan.

He pointed out that the Human Resources Plan 2016-2019, had six (6) chapters looking at the overview of the Human Resources Function, the Situational Analysis, the Key Human Resources Areas, the Human Resources Three Year Plan, the Human Resources One Year Plan and the Conclusion.

Cllr LMR Ngcobo moved for the recommendations and was seconded by Cllr Mthethwa.

However, Cllr LMR Ngcobo informed Council that it was important to monitor the said Plan.

Cllr Rajaram requested that the organogram should be presented to the next meeting.

The Speaker pointed out that when the organogram was ready then same would be presented to Council.

Following which,

It was

RESOLVED:

- (a) That the report on the Human Resources Plan 2016-2019 be and is hereby **NOTED**.
- (b) That the Human Resources Plan 2016-2019 be and is hereby **APPROVED**.

C 253/11/16

MINUTES FROM COMMITTEES

Confirmed Minutes of the meeting of the Executive Committee held on 07 September 2016

The Speaker took members through the noting of the minutes.

Following which,

It was unanimously

RESOLVED:

That the Confirmed Minutes of the meeting of the Executive Committee held on 07 September 2016 be and are hereby **NOTED**.

C 254/11/16 URGENT MATTERS

It was noted that there were none.

C 255/11/16 IN-COMMITTEE MATTERS

It was noted that there were none.

C 256/11/16 DATE OF NEXT MEETING

It was noted that the date of the next meeting was scheduled for 08 December 2016.

C 257/11/16 CLOSURE

There being no further items for discussion, the Speaker declared the meeting closed at 12h11.

CHAIRPERSON: ----- **DATE :** -----