

**UGU DISTRICT MUNICIPALITY**

**MINUTES OF THE 49<sup>TH</sup> MEETING OF THE UGU DISTRICT MUNICIPAL COUNCIL HELD IN THE COUNCIL CHAMBERS, HIBISCUS COAST MUNICIPALITY, 10 CONNOR STREET, PORT SHEPSTONE, ON THURSDAY, 25 SEPTEMBER 2015, AT 11H00.**

**PRESENT:**

Cllr SB Cele - Speaker

Cllrs MA Chiliza (Exco Member), JS Mbutuma (Exco Member), Dr SG Nyawuza (Exco Member), NF Shusha (Exco Member), TM Cele, JM Ndlela, TN Dzingwa, MB Gavu, GD Henderson, SA Khawula, BE Machi, NA Madlala, MA Manyoni, ZA Mhlongo, MJ Mkhize, NY Mweshe, LN Myende, Y Nair, JM Ndlela, DH Njoko, VL Ntanza, FB Shezi, D Snashall, J van Vuuren, SM Zuma and MPL Zungu.

**IN ATTENDANCE:**

Mr DD Naidoo	-	Municipal Manager
Ms L Cele	-	General Manager: Water Services
Ms S Mbili	-	General Manager: Treasury
Ms VP Tsako	-	General Manager: Corporate Services
Mr V Gramoney	-	Acting General Manager: Infrastructure and Economic Development
Mr F Zama	-	Senior Manager: Mayoralty and Communications
Ms MS Olivier	-	Manager: Legal Services
Ms N Surajbally	-	Administrative Officer

• **OPENING**

The Speaker requested Cllr Zungu to open the meeting in prayer. Thereafter, he welcomed all to the meeting.

**C 233/09/15 NOTICE OF MEETING**

The notice of meeting was taken as read.

**C 234/09/15 APPLICATIONS FOR LEAVE OF ABSENCE**

It was noted that Cllrs NH Gumede (*council business*), IM Mavundla (*council business*), E Moosa Bux (*eid celebration*), MG Sonwabo (*indisposed*), ST Gumede (*family responsibility*), NP Mpanza (*indisposed*), MP Mtheshane (*council business*) and YL Duma (*indisposed*) had requested leave of absence from the meeting.

From the Management component, it was noted that the General Manager: Infrastructure and Economic Development (IED) was indisposed and that the Senior Manager: Corporate Strategy and Shared Services was away on council business.

Following which,

It was unanimously

**RESOLVED:**

- (a) That Cllrs NH Gumede (*council business*), IM Mavundla (*council business*), E Moosa Bux (Eid Celebration), MG Sonwabo (*indisposed*), ST Gumede (*family responsibility*), NP Mpanza (*indisposed*), MP Mtheshane (*council business*) and YL Duma (*indisposed*) be and are hereby granted leave of absence from the meeting.
- (b) That from the Management component, it was noted that the General Manager: Infrastructure and Economic Development (IED) was indisposed and that the Senior Manager: Corporate Strategy and Shared Services was away on council business.

**C 235/09/15      DECLARATION OF INTEREST**

It was noted that there were none.

**C 236/09/15      CONFIRMATION OF AGENDA**

The Speaker took members through the confirmation of the agenda.

The Municipal Manager advised Council that there was an urgent item on Mayoral Izimbizo 2015.

In addition, he requested that Item 6.3 should be deferred to the next meeting.

Following which,

It was unanimously

**RESOLVED:**

That the agenda convening the Ugu District Municipal Council meeting be and is hereby **CONFIRMED**; subject to the following:

- Inclusion of Item 13.1 Mayoral Izimbizo 2015 under Urgent Matters
- Item 6.3 be DEFERRED to the next meeting.

C 237/09/15

### **CONFIRMATION OF MINUTES**

#### **Minutes of the 48<sup>th</sup> Meeting of the Ugu District Municipal Council held on 27 August 2015**

The Speaker took members through the confirmation of the minutes.

Following which,

It was

#### **RESOLVED:**

That the Minutes of the 48<sup>th</sup> Meeting of the Ugu District Municipal Council held on 27 August 2015 be and are hereby **CONFIRMED** subject to the following amendment being effected to the minutes:

- Page 4, paragraph 5, line 01, the words “Pension Fund” be replaced with the word “SALGA”

C 238/09/15

### **MATTERS ARISING**

#### **Draft illegal Connections Policy**

The Speaker reminded Council that the item was submitted to the last meeting; whereby same was noted in order to give Councillors time to study the Policy and if there were any inputs or comments; same was to be submitted to the Office of the Municipal Manager by 11 September 2015.

Thereafter, Cllr Snashall moved for the adoption of the Policy and was seconded by Cllr Mhlongo.

Following which,

It was

#### **RESOLVED:**

- (a) That the Draft illegal Connections Policy be and is hereby **NOTED**.
- (b) That the Draft illegal Connections Policy be and is hereby **ADOPTED**.

C 239/09/15

#### **SALGA Monthly Report: Councillors Pension Fund**

The Municipal Manager reminded Council that the issue arises from the concerns that Councillors had with their pension fund.

He reported to Council that he had contacted SALGA and requested SALGA to come to this meeting to address the concerns regarding the Councillors

Pension Fund; however the Officials from SALGA were not available for this meeting.

He pointed out that SALGA requested that Councillors should forward all their concerns to the Municipal Manager so that the Municipal Manager could forward the said concerns to SALGA in order for SALGA to send the relevant officials to come and address the concerns.

The Speaker pointed out that one of the concerns was that the Councillors received their statements until June 2014; instead Councillors should be given statements until June 2015.

He requested Councillors to be given until 03 October 2015 to submit their concerns to the Office of the Municipal Manager so that the Municipal Manager could consolidate same and forward same to SALGA in order for SALGA to come to the next meeting to address the said concerns.

Following which,

It was unanimously

**RESOLVED:**

- (a) That the verbal report regarding the SALGA Monthly Report: Councillors Pension Fund be and is hereby **NOTED**.
- (b) That Councillors be given until 03 October 2015 to submit their concerns to the Office of the Municipal Manager so that the Municipal Manager could consolidate same and forward same to SALGA in order for SALGA to come to the next meeting to address the said concerns.

**C 240/09/15      Monthly Budget Statements: June 2015: (Report on how many Outstanding Consumer Accounts were still under investigation as a result of a Consumer Query or a Dispute)**

It was noted that the item was deferred to the next meeting.

**C 241/09/15      OUTSTANDING MATTERS**

It was noted that there were none.

**C 242/09/15      STANDING ITEMS**

It was noted that there were none.

C 243/09/15

## **MATTERS FOR DISCUSSION**

### **Monthly Budget Statements: July 2015**

The Speaker pointed out that there was a serious concern with regard to the Ugu Fresh Produce Market; whereby the income from renting out the premises was not good enough due to the fact that the electricity cost was too high.

He emphasised that if electricity was to be paid by the lessor then the Municipality was actually getting nothing in return and if the Municipality continued to go on like this then the Municipality would not be able to survive.

Furthermore, he mentioned that the Ugu Sports and Leisure Centre were also of a serious concern; given that the Municipality was not receiving its rental on a monthly basis.

He tasked the Municipal Manager and the General Manager: Treasury to look into the said concerns.

The General Manager: Treasury then took members through the Monthly Budget Statements for July 2015.

She highlighted the following aspects:

- Executive Summary;
- Statement of Financial Performance (SFP);
- Capital Expenditure;
- Cash Flow Statement;
- Outstanding Debtors;
- Debtors by Consumer Group;
- Debtors Aging by Top Ten Organs of State;
- Outstanding Creditors;
- Investment Portfolio;
- Ugu Fresh Produce Market; and
- Ugu Sports and Leisure Centre

With regard to the Capital Expenditure, she reported that the Municipality only managed to spend R9.4 million, which was of a serious concern.

In order to help increase the Revenue, the Speaker requested that it would be prevalent to extend the amnesty period just as a courtesy measure.

In response, the Municipal Manager advised Council that there would be no problem to extend the amnesty period.

The Speaker pointed out that the issue of Smart Readers; whereby estimations were given to households were not correct. He emphasised that same was totally unacceptable.

In response, the Municipal Manager advised Council that the General Manager: Water Services would look into the said concern and that a report would be submitted to the next meeting of the Executive Committee.

*[At that stage of the proceedings, Cllr Shezi joined the meeting.]*

It was noted that with regard to the outstanding debt, the Municipality was still waiting for payment from the Department of Public Works.

With regard to the Department of Education, no payment was received.

With reference to the Department of Education, the Speaker requested the Municipal Manager to bring same to the attention of Provincial Treasury. He said that the said Department should deal with the schools.

The Municipal Manager indicated that schools were a great challenge. He pointed out that the said item was taken to the Portfolio Committee on Finance and the Executive Committee.

He indicated that when the provision of water was cut off for non payment; they would then make payment and as time passed they would then stop making payment.

He pointed out that when the Municipality communicated with the Provincial Department, the Municipality was told that the said Department had paid the schools and that the schools should pay the Municipality.

He said that the said concern needed some political intervention.

The Speaker pointed out that the said issue needed to be addressed as a matter of urgency given that there was a lot of money outstanding from one Department.

Cllr Snashall pointed out that the debtor's book was R280 million and that more than R104 million was a year old. He pointed out with concern that the debtors book was gone up by 20% from last year.

In response, the General Manager: Treasury informed Council that the budget was not based on the anticipation that the Municipality was going to get 100% of the budget.

With regard to Impairment, she mentioned that the Portfolio Committee on Finance requested that a reconciliation below that be shown.

She informed Council that the Department always reported on the gross amounts.

In addition, the Municipal Manager advised Council that Management did not believe that the debt book was a true reflection.

He pointed out that this was due to the meter reading and the estimations; whereas now there were actual readings due to the meter audit.

He mentioned that the Municipal Public Accounts Committee (MPAC), the Audit Committee and the Portfolio Committee on Finance agreed to the said approach that the Municipality was taking.

Cllr Henderson sought clarity if the debt was prescribed similar to that of an Edgars account; if one did not pay for three years, they could not come back and tell you that you owed Edgars money. He sought clarity if this happened to water and electricity as well.

The Municipal Manager advised Council that he would into same.

Following discussion and after questions of clarity had been answered,

It was unanimously

**RESOLVED:**

- (a) That the Monthly Budget Statement for the month of July 2015 and the supporting documents as presented be and is hereby **NOTED**.
- (b) That the Monthly Budget Statement for the month of July 2015 and the supporting documents be submitted to both Provincial and National Treasury in both electronic and hard copies.
- (c) That the Municipal Manager look at whether the debt was prescribed similar to that of an Edgars account; if one did not pay for three years, they could not come back and tell you that you owe Edgars money and if same happened to water and electricity as well.
- (d) That a report on the Ugu Fresh Produce Market and a report on the Ugu Sports and Leisure Centre be submitted to the meeting of the Executive Committee scheduled for 01 October 2015 for onward submission to Council.

**C 244/09/15**

**ITEMS FROM AMAKHOSI**

It was noted that there were none.

## **EXTRACTS FROM THE EXECUTIVE COMMITTEE**

### **Extracts from the Minutes of the Meeting of the Executive Committee held on 02 September 2015**

**C 245/09/15**

#### **Inclusion of the Position of Fleet Clerks in the Organogram and the Provision of Position of Superintendent Mechanical Workshop**

The Speaker took members through the item.

He mentioned that in the previous organogram, the posts of 2 Fleet Clerks were accommodated and occupied by incumbents. He reported that when the organogram was reviewed, the said posts were omitted from the organogram. He pointed out that the said posts were budgeted for and that the request was for the posts to be included in the existing organogram through the proper channels.

He informed members that the Municipality had a mechanical workshop with a senior employee that was a Foreman. He reported that the Corporate Services Department had done benchmarks and also looked at other Municipalities and that it was evident that with the challenges and the amount of work within the mechanical workshop, same required that there must be a senior position of the Superintendent Mechanical Workshop.

Cllr Snashall referred member to page 63 and advised that in paragraph 4.2, the word "Foreman" should be changed to "Supervisor."

Following which,

It was unanimously

#### **RESOLVED:**

- (a) That the report on the Inclusion of the Position of Fleet Clerks in the Organogram and the Provision of Position of Superintendent Mechanical Workshop be and is hereby **NOTED**.
- (b) That the inclusion of the positions of 2 Fleet Clerks on the organogram be and is hereby **APPROVED**.
- (c) That the inclusion of the position of Superintendent Mechanical Workshop on the organogram be and is hereby **APPROVED**.
- (d) That all the positions approved previously be filled first and then the positions of Fleet Clerks and Superintendent be filled.

**C 246/09/15**

#### **Resignation of Cllr S Mahomed**

The Speaker took members through the item.

He informed the Committee that the objective of the report was to advise members of the resignation of Cllr S Mahomed.

He indicated that correspondence was received from Cllr Mahomed, a member of the Executive Committee representing the African National Congress advising of her resignation.

He advised the Committee that the correspondence had been noted and that same would be forwarded to the I.E.C. to advise of the replacement Councillor.

He reported that there would be two processes; one being for the African National Congress to elect a member to serve on the Executive Committee and the other for Council to declare a vacancy.

Following which,

It was unanimously

**RESOLVED:**

- (a) That the report regarding the Resignation of Councillor S Mahomed be and is hereby **NOTED**.
- (b) That a vacancy be and is hereby **DECLARED**.
- (c) That the Municipal Manager advise the I.E.C of Councillor S Mahomed's resignation and request a replacement Councillor.
- (d) That the Municipal Manager write to the African National Congress (ANC) and request a replacement Councillor to serve on the Executive Committee.

**MINUTES FROM COMMITTEES**

**Minutes from the Executive Committee**

C 247/09/15

**Confirmed Minutes of the Meeting of the Executive Committee held on 19 August 2015**

The Speaker took members through the noting of the minutes of the Executive Committee held on 19 August 2015.

After questions of clarity had been answered,

It was unanimously

**RESOLVED:**

That the Confirmed Minutes of the Meeting of the Executive Committee held on 19 August 2015 be and is hereby **NOTED**.

C 248/09/15

## **URGENT MATTERS**

### **Mayoral Izimbizo 2015**

The Speaker informed members that the purpose of the report was to present to Council the schedule of Mayoral Izimbizo 2015.

He reported that the Hibiscus Coast Municipality and Vulamehlo Municipality would provide dates before the end of the week.

He pointed out with concern that Umdoni Municipality did not provide dates and that he had contacted Umdoni Municipality himself; but no information was received.

Following which,

It was unanimously

### **RESOLVED:**

- (a) That the report regarding the Mayoral Izimbizo 2015 be and is hereby **NOTED**.
- (b) That the Mayoral Izimbizo 2015 be and is hereby **APPROVED** pending the confirmation of the outstanding information.

C 249/09/15

## **IN-COMMITTEE MATTERS**

### **Request for Designation of Section 79 Committee (MPAC) as Full Time**

*[At that stage of the proceedings, Cllr Ntanza proposed that the proceedings move in-committee and was seconded by Cllr Shezi.]*

The Municipal Manager took members through the item.

Following which,

It was unanimously

### **RESOLVED:**

- (a) That the report regarding the Request for Designation of Section 79 Committee (MPAC) be and is hereby **NOTED**.
- (b) That the MPAC Chairperson be remunerated as a part time Chairperson of Section 79 Committee as per the Government Gazette 38608.

*[At that stage of the proceedings, Cllr Henderson proposed that the proceedings move out of committee and was seconded by Cllr Chiliza.]*

**C 250/09/15      DATE OF NEXT MEETING**

It was noted that the date of the next meeting was scheduled for Thursday, 29 October 2015.

**C 251/09/15      CLOSURE**

There being no further items for discussion, the Speaker declared the meeting closed at 12h00.

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