

UGU DISTRICT MUNICIPALITY

MINUTES OF THE 25TH MEETING OF THE UGU DISTRICT MUNICIPAL COUNCIL HELD IN THE COUNCIL CHAMBERS, RAY NKONYENI MUNICIPALITY, 10 CONNOR STREET, PORT SHEPSTONE, ON THURSDAY, 25 OCTOBER 2018, AT 11H00.

PRESENT:

Cllr NH Gumede - Speaker

Cllrs MA Chiliza (Mayor), NT Dlamini (Executive Member), LMR Ngcobo (Executive Member), L Mzimela (Executive Member), AD Ngubo (Executive Member), SN Caluza, S Chetty, M Gcwabe, DMM Hlengwa, SE Khawula, BE Machi, A Rajaram, H Mbatha, SR Ngcobo, NCP Mqwebu, TW Dube, TB Cele, R Nair, NY Mweshe, MA Manyoni, HJ Ngubelanga, PT Naude, GD Henderson, D Nciki, TA Disane, ZZ Msani, K Dladla, and MPL Zungu.

BY INVITATION:

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

IN ATTENDANCE:

Mr DD Naidoo	-	Municipal Manager
Mr MS Dlamini	-	General Manager: Budget and Treasury Office
Mr VO Mazibuko	-	General Manager: Corporate Services
Mr S Mbewu	-	Acting General Manager: Water Services
Mr M Mabece	-	Acting General Manager: Economic Development and Environmental Services (EDES)
Mr F Zama	-	Senior Manager: Mayoralty and Communications
Ms F Mbili	-	Senior Manager: Corporate Strategy and Shared Services
Ms Z Dlamini	-	Manager: Risk and Internal Audit
Ms N Mbambo	-	Acting Manager: Legal Services
Mr A Mbhele	-	Manager: Administration and Auxiliary Services
Ms N Surajbally	-	Administrative Officer: Secretariat Unit
Ms B Malishe	-	Committee Co-ordinator
Ms T Kikine	-	Committee Clerk

• OPENING

The Speaker welcomed all to the meeting and requested the Senior Manager: Corporate Strategy and Shared Services to open the meeting in prayer.

C 255/10/18 NOTICE OF MEETING

The notice of the meeting was taken as read.

At that stage of the proceedings, the Municipal Manager requested to make two (2) announcements.

He apprised members that the Ugu District Municipality had a Risk Cover for all its Councillors in terms of the Upper Limits for Councillors. He explained that the said cover was not automatic and that all Councillors had to complete the Indwe Risk Services Form

for the Municipality to be able to claim on behalf of any Councillor. He then pleaded with members to complete and submit the said form by the end of the meeting.

In terms of the Council Lunch, he reminded members that Council had resolved that the Municipal Manager should be tasked to develop an authorization form which would grant the General Manager: Treasury and Budget Office authority to deduct an amount of R100.00 from the Councillors salaries monthly. He then requested that all members should complete and submit the said forms by the end of the meeting.

C 256/10/18 APPLICATIONS FOR LEAVE OF ABSENCE

It was noted that Cllrs GS Mngomezulu (*study leave*), PH Mthiyane (*council business*), BL Ntusi (*sick leave*), JJ East (*sick leave*) and SP Mthethwa (*study leave*) had requested leave of absence from the meeting.

It was further noted Cllr BE Machi requested to be excused from the meeting at 12h30.

[*At that stage of the proceedings (11h20), Cllr SR Ngcobo joined the meeting.*]

Following which,

It was unanimously

RESOLVED:

- (a) That Cllrs GS Mngomezulu (*study leave*), PH Mthiyane (*council business*), BL Ntusi (*sick leave*), JJ East (*sick leave*) and SP Mthethwa (*study leave*) be and are hereby granted leave of absence from the meeting.
- (b) That Cllr BE Machi be and is hereby granted leave to be excused from the meeting at 12h30.

C 257/10/18 DECLARATION OF INTEREST

It was noted that there were none.

C 258/10/18 CONFIRMATION OF AGENDA

The Speaker took members through the confirmation of the agenda.

Following which,

It was unanimously

RESOLVED:

That the agenda convening the Ugu District Municipal Council meeting be and is hereby **CONFIRMED**, subject to the inclusion of the items listed on the First Addendum.

C 259/10/18 Minutes of the 24th Meeting of the Ugu District Municipal Council held on 27 September 2018

The Speaker took members through the confirmation of the minutes for the meeting held on 27 September 2018.

Cllr Rajaram moved for the adoption of the minutes and was seconded by Cllr Khawula.

Following which,

It was

RESOLVED:

That the minutes of the 24th Meeting of the Ugu District Municipal Council held on 27 September 2018, be and are hereby **CONFIRMED**, subject to the following amendment being effected to the minutes:

- Page 2, the last sentence, the third last paragraph, the word "*agenda*" be replaced with the word "*addendum*".

RESOLUTION REGISTER

C 260/10/18

Resolution Register for the 24th Meeting of the Ugu District Municipal Council held on 27 September 2018

The Speaker took members through the Resolution Register for the 24th Meeting of the Ugu District Municipal Council held on 27 September 2018.

Cllr Naude referred members to Resolution C251/09/18, on page 18 of the agenda and sought clarity on the process on the Area South West Drought Mitigation Plan. He also enquired on the status of the disaster at Umuziwabantu and if the request for funding the said area was acknowledged.

Responding, the Municipal Manager advised members that the Municipality was in contact with the Disaster Management Centre at CoGTA, who were overseeing the request. He mentioned that the Cabinet memo on the said matter was prepared and had not been approved yet. He shared with members that the Municipality had also requested for various resources from the said Department which had not been received yet. He informed Council that the teams were on the ground, and that on 26 October 2018, the Steering Committee would be convening a meeting at Umuziwabantu.

Following which,

It was unanimously

RESOLVED:

That the Resolution Register for the 24th Meeting of the Ugu District Municipal Council held on 27 September 2018, be and is hereby **NOTED**.

C 261/10/18

OUTSTANDING MATTERS

It was noted that there were none.

STANDING ITEMS

C 262/10/18

SALGA Monthly Report: October 2018

The Municipal Manager took members through the item and highlighted the following aspects in the report:

- Membership Levies;
- Invitation to Join the SALGA Delegation to the Afri-Cities 8th Summit;
- Invitation to Join the SALGA Delegation to the International China Friendship Cities Conference; and
- SALGA Upcoming Events.

Following which,

It was unanimously

RESOLVED:

That the SALGA Monthly Report as at October 2018 be and is hereby **NOTED**.

C 263/10/18

SECTION 79 REPORTS

It was noted that there were none.

C 264/10/18

MATTERS FOR DISCUSSION

It was noted that there were none.

C 265/10/18

**Extracts from the meeting of the Executive Committee held on
17 October 2018
ICT Governance Report**

The Municipal Manager took members through the report.

He presented the Municipality's ICT Strategies and pointed out that in keeping with good governance, the said Strategies had to be reviewed. He confirmed that the said Strategies were reviewed.

He then referred members to the summarized reviewed strategy on page 32 of the agenda which was as follows:

1. ICT Strategy

- Page 6 and 7 - Inclusion of the strategic planning and SWOT analysis done for this review.
- Page 9 and 10 - Inclusion of ICT Summit held.
- Page 10 to 14 - Updated status with the 2017/18 FY status on objectives and inclusion of 2018/19 FY Goals and 2017/18 FY Innovations.
- Page 15 to 17 - ICT Maturity levels updated based on 2017/18 FY outcomes (SDBIP achievements).

Update of Service Elements Strengths and Challenges.
- Page 27 to 28 - Strategic objectives and investment alignment to the 2018/19 Adopted IDP and adopted budget.

2. ICT Charter - "Throughout the document"

It was noted that correction of titles, in alignment with the adopted organogram:

- Manager Financial Management Systems & Support; and
- IT Officer

3. ICT Governance Framework

It was noted that there were no amendments made on the said Framework.

Cllr Nair enquired if the said Strategies also covered the risk of theft of equipment.

Responding, the General Manager: Corporate Services confirmed that the said Strategies also covered risk of theft, although there was a separate ICT Policy which was in place and had also catered for same.

In the event of stolen laptops, Cllr Nair enquired if there was any way to erase the information contained in the Municipal laptops, given that the said equipment contained strategic and critical information.

The Municipal Manager explained to members that, when laptops were stolen, the laptop would be blacklisted or deactivated.

Following which,

It was unanimously

RESOLVED:

- That the ICT Governance Report be and is hereby **NOTED**.
- That the Reviewed ICT Strategy 2018/19, the Reviewed Governance Framework 2018/19 and the Reviewed Corporate Governance of ICT Framework 2018/19 be and is hereby **ADOPTED**.

MINUTES FROM COMMITTEES

C 266/10/18

Confirmed Minutes of the 27th Meeting of the Executive Committee held on 19 September 2018

The Speaker took members through the minutes of the Executive Committee Meeting held on 19 September 2018.

Following which,

It was unanimously

RESOLVED:

That the Confirmed Minutes of the 27th Meeting of the Executive Committee held on 19 September 2018 be and are hereby **NOTED**.

URGENT MATTERS

C 267/10/18

Ugu District Municipality's Quarterly Report on the Implementation of the Budget and the Financial State of Affairs as at 30 September 2018

The Municipal Manager informed Council that the rationale of the report was to comply with S52 of the MFMA and the requirements of the Municipal Budgeting and Reporting Regulations.

He mentioned that a joint meeting of the Executive Committee and the Portfolio Committee on Finance was held on 23 October 2018 whereby the said item was discussed and deliberated on.

Thereafter, he requested the General Manager: Budget and Treasury Office to take members through the item.

The General Manager: Budget and Treasury Office emphasised that in terms of Section 52 of the MFMA, the Mayor of a Municipality must within 30 days of the end of the Quarter, submit a report to Council on the implementation of the budget and the financial state of affairs of the Municipality. In addition, he mentioned that same was part of the implementation of the Financial Management Turn Around Strategy.

He referred members to page 8 of the First Addendum and reported that the average revenue collection rate was R34.8 million as at 30 September 2018, which was a significant improvement, emanating from the implementation of the Revenue Collection Strategy.

He then referred members to page 9 of the First Addendum and reported that the Monthly Actual Collection Rate versus the Monthly Billings was 91.49%. He pointed out that same was still below the norm of 95%.

He referred members from page 10 to page 25 of the First Addendum and highlighted the following:

- Operating Expenditure per Vote;
- Capital Expenditure;
- Cash Flow Statement;
- Bank Reconciliations;
- Capex on MIG;
- Grants Register;
- Customer Type per Age Analysis: September 2018; and
- External Loans

He reported that there was an amount of R44 million in the bank account.

Commenting, Cllr Rajaram sought clarity if there was still enough money to pay employees their salaries.

Cllr Henderson referred to the Cash Bank Ratio and mentioned that same was in January 2018. He sought clarity on the correct figure as at 30 September 2018.

Cllr Mzimela appreciated the report as well as the improvement in revenue collection.

He referred to the employee bonus and sought clarity if same could be paid in the birthday month instead of the bonus being paid to all employees in the month of August.

Concurring, Cllr LMR Ngcobo pointed out that if the employee bonus was to be paid in the birthday month, then the Human Resources Policy needed to be reviewed.

The Mayor referred to the debtors, which was R501 million and sought clarity if same was the correct figure.

Furthermore, he emphasised that the Municipality had never experienced challenges paying staff salaries.

In response, the General Manager: Budget and Treasury Office assured Council that the Municipality had money to pay staff salaries.

Regarding the Cash Ratio, he mentioned that the Cash Ratio was sitting at two (2) months.

In terms of the employee bonus being paid in their birthday month, he mentioned that same would be looked at.

With regard to the Debtors Age Analysis, he mentioned that same was a true reflection.

The Mayor expressed his gratitude to all Councillors for encouraging the customers to pay their accounts. He pointed out that if all Councillors could own the challenges of the Municipality then there would be great improvement.

In addition, the Mayor expressed his gratitude to the Management component as well as the Officials.

The Municipal Manager pointed out that the cash ratio would fluctuate given that as the Municipality spent, the cash ratio would go down. He emphasised that one needed to ensure that the Municipality had reserves.

With regard to the employee bonus, he mentioned that same was a Condition of Service and that Management would try and work on same being paid in the birthday month.

Regarding the R501 million debt, he reported that same was not the correct figure. He indicated that he believed that the debt was about R380 million and that most probably an amount of R260 million was collectable.

He informed Council that there was a Debt Recovery War Room which was situated in Oslo Beach. He said that the Team in place started with the accounts that were high.

He appealed to Council to assist and support Management.

Regarding the Government Debt, he mentioned that CoGTA and the Provincial Treasury was assisting with same.

Following much discussion and deliberations

It was

RESOLVED:

- (a) That the Quarterly Report for the month of September 2018 and the supporting documents as presented be and is hereby **NOTED**.
- (b) That regarding the employee bonus, same was a Condition of Service and that Management try and work on the employee bonus being paid in the birthday month.

C 268/10/18 Inventory Adjustment Report

The General Manager: Budget and Treasury Office took members through the item.

He mentioned that the objective of the report was to present to Council the Inventory Adjustment that took place in the 2017/2018 financial year end stock count.

Following which,

It was unanimously

RESOLVED:

- (a) That the report on the Inventory Adjustment be and is hereby **NOTED**.
- (b) That the report on the Slow-Moving items be and is hereby **APPROVED**.
- (c) That the Slow-Moving Inventory of R5 318 860.96 be **WRITTEN DOWN** to the lowest of its cost or to the net realizable value.

IN-COMMITTEE MATTERS

[At that stage of the proceedings, Cllr Ngubo moved for the meeting to move in-committee and was seconded by Cllr Mzimela.]

C 269/10/18 Extension of Acting Appointment: General Manager: Water Services

The Municipal Manager took members through the report.

Following which,

It was unanimously

RESOLVED:

- (a) That the Extension of Acting Appointment: General Manager: Water Services be and are hereby **NOTED**.
- (b) That the Acting Appointment of Mr SN Mbewu as the General Manager: Water Services on a month to month basis for a maximum period of three (3) months on the same terms and conditions with effect from 27 October 2018 be and is hereby **APPROVED**.
- (c) That the MEC for CoGTA be requested to grant the extension of the Acting Appointment for the General Manager: Water Services.
- (d) That an application be made to the MEC for CoGTA to extend the period of the Filling of the Position of General Manager: Water Services.

C 270/10/18 Extension Period for Filling of the Position of General Manager: Infrastructure and Economic Development

The Municipal Manager took members through the report.

Following which,

It was unanimously

RESOLVED:

- (a) That the Extension Period for Filling of the Position of General Manager: Infrastructure and Economic Development be and is hereby **NOTED**.

(b) That an application be made to the MEC for CoGTA to extend the period of the Filling of the Position of General Manager: Infrastructure and Economic Development.

[At that stage of the proceedings, Cllr Nair moved for the meeting to move out of committee and was seconded by Cllr Henderson.]

C 271/10/18 DATE OF NEXT MEETING

It was noted that the date of the next meeting was scheduled for 29 November 2018.

C 272/10/18 CLOSURE

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

CHAIRPERSON: _____

DATE : _____