UGU DISTRICT MUNICIPALITY

MINUTES OF THE 5TH MEETING OF THE UGU DISTRICT MUNICIPAL COUNCIL HELD IN THE CIVIC CENTRE, 10 CONNOR STREET, PORT SHEPSTONE, ON THURSDAY, 26 JANUARY 2017, AT 11H10.

PRESENT:

Cllr NH Gumede - Speaker

Cllrs 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), SN Caluza, BT 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, HJ Mngomezulu, NY Mweshe, PT Naude, D Nciki, SR Ngcobo, HJ Ngubelanga, B Ntusi, A Rajaram and MPL Zungu,

ALSO PRESENT:

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

BY INVITATION:

Mr P McCabe	-	Afriforum
Mr C Steenkamp	-	Afriforum
Ms YS Mahadev	-	E-Howzit
Ms K Shoba	-	Auditor-General SA
Ms A Zuma	-	Auditor-General SA
Ms C Elloitt	-	Audit Committee
Ms J Mackrory	-	Ugu South Coast Tourism Entity

IN ATTENDANCE:

Mr DD Naidoo	-	Municipal Manager
Ms VP Tsako	-	General Manager: Corporate Services
Ms S Ngilande	-	General Manager: Treasury
Ms L Cele	-	General Manager: Water Services
Ms Z Mbonane	-	General Manager: Infrastructure and Economic Development (IED)
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 MS Olivier	-	Manager: Legal Services
Ms N Surajbally	-	Administrative Officer
Ms T Kikine	-	Committee Clerk

- **OPENING**

The Speaker welcomed all to the first Council meeting for 2017. She pointed out that there were numerous disruptions that were encountered by the Municipality during the month of December 2016, and that same had contributed to the non-sitting of the last Council meeting in 2016.

She also pointed out that during the said month, the Municipality was also saddened by the death of His Worship, the Mayor, Cllr OT Mnyayiza, which was a huge loss to the Ugu District.

She then requested for a volunteer, who would lead the meeting in prayer and thereafter a moment of silence be observed for the late Mayor, Cllr OT Mnyayiza.

It be noted that Cllr BT Cele opened the meeting in prayer.

C 01/01/17 **NOTICE OF MEETING**

The notice of meeting was taken as read.

[At that stage of the proceedings, Cllr Mavundla pointed out that there was no clear communication between members. He then advised that the officials should have organized a sound system, given that the Municipality knew in advance that the Chambers at Ray Nkonyeni Municipality was currently being renovated.

The Speaker requested the Communications Unit to organize the sound system immediately.]

C 02/01/17 **APPLICATIONS FOR LEAVE OF ABSENCE**

It was noted that Cllrs DZ Cele *(indisposed),* ZZ Msani *(council business)* and Y Nair (*personal commitment*) had requested leave of absence from the meeting.

It was also noted that Cllr D Nciki had requested to be excused from the meeting at 11h45 and Cllr NT Zwane requested to be excused from the meeting at 11h55 respectively.

It was further noted that Inkosi RS Shinga (*family commitment*) and Inkosi BS Nzimakwe (*family commitment*) had requested leave of absence from the meeting.

From the Management component, it was noted that the General Manager: Corporate Services would join the meeting late.

Following discussion,

It was unanimously

RESOLVED:

(a) That Cllrs DZ Cele *(indisposed),* ZZ Msani *(council business)* and Y Nair (*personal commitment*) be and are hereby granted leave of absence from the meeting.

(b) That Cllr D Nciki be and is hereby granted leave of absence from the meeting at 11h45.

(c) That Cllr NT Zwane be and is hereby granted leave of absence from the meeting at 11h55.

(d) That Inkosi RS Shinga (*family commitment*) and Inkosi BS Nzimakwe (*family commitment*) be and are hereby granted leave of absence from the meeting.

C 03/01/17 **DECLARATION OF INTEREST**

It was noted that there were none.

C 04/01/17 **CONFIRMATION OF AGENDA**

The Speaker took members through the confirmation of the agenda.

The Municipal Manager advised Council that there was a First Addendum, Second Addendum and a Third Addendum. He also advised members that Item 9.5 was the replacement of the report on the Monthly Budget Statement for October 2016, which was not clear on the agenda.

Cllr Henderson raised a concern regarding the tabling of the Adjustment Budget, and pointed out that same should have been tabled before 31 January 2017. He reminded members that at the beginning of December 2016, the Municipality also had unforeseen expenditure, which amounted to R11 million, and according to the Municipal Finance Management Act (MFMA), the said expenditure should have been submitted to Council within 60 days.

The Speaker explained to members that the date for the tabling of the Adjustment Budget was February 2017. She also pointed out that the item relating to the expenditure of R11 million would be discussed in-committee.

She further advised members that the representative from the Auditor-General was invited to present the AG report to Council. She then requested that Item 9.1 should be prioritised as the first item for discussion.

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, Second and Third Addendum.

(b) That Item 9.1 Presentation by the Auditor-General of South Africa be prioritised as the first item for discussion.

CONFIRMATION OF MINUTES

C 05/01/17 Minutes of the 3rd Meeting of the Ugu District Municipal Council held on 22 November 2016

The Speaker took members through the confirmation of the minutes for the meeting held on 22 November 2016.

Cllr Manyoni moved for the acceptance of the minutes and was seconded by Cllr Caluza.

Following which,

It was unanimously,

RESOLVED:

That the minutes of the 3rd Meeting of the Ugu District Municipal Council held on 22 November 2016 be and are hereby **CONFIRMED**.

MATTERS ARISING

C 06/01/17 Human Resources Plan 2016-2019

Cllr Machi referred members to the item on the Human Resources Plan 2016-2019, on page10 of the agenda, and enquired when the organogram would be tabled at Council.

In response, the Municipal Manager advised members that the Organogram would be presented together with the reviewed Integrated Development Plan (IDP).

Following which,

It was

RESOLVED:

(a) That the clarity regarding the Human Resources Plan 2016-2019 be and is hereby **NOTED**.

(b) That, it be noted that the Organogram would be presented together with the Integrated Development Plan (IDP).

C 07/01/17 **Ugu Development Agency: Replacement of a Board Member**

Cllr Mthethwa referred members to page 8 of the agenda, and sought clarity on the progress in terms of filling the vacant position of the Board Member at the Ugu Development Agency.

In response, the Municipal Manager informed members that there was no feedback that was received from the Board, and that once feedback was received, he would report same to Council.

At that stage of the proceedings, on the issue of Matters Arising, Cllr SR Ngcobo suggested that an item on the Resolution Register should be included on the agenda in order to provide members with the status quo of the resolutions taken at the last meeting.

Following discussion,

It was unanimously

RESOLVED:

(a) That the clarity on the Ugu Development Agency: Replacement of a Board Member be and is hereby **NOTED**.

(b) That after feedback was received from the Ugu South Coast Development Agency on the Replacement of a Board Member, the Municipal Manager would report same to Council.

(c) That an item on the Resolution Register be included on the agenda in order to provide members with the status quo of the resolutions taken at the last meeting.

C 08/01/17 **OUTSTANDING MATTERS**

It was noted that there were none.

STANDING ITEMS

C 09/01/17 SALGA Monthly Report: November 2016

The Speaker took members through the item.

Following which,

It was unanimously

RESOLVED:

That the SALGA Monthly Report for November 2016 be and is hereby **NOTED**.

MATTERS FOR DISCUSSION

C 10/01/17 Presentation by the Auditor-General of South Africa

The Speaker welcomed Ms Zuma from the Auditor-General.

She explained to members that Ms Zuma was invited to the meeting to present the AG report.

Thereafter, Ms Zuma took members through a presentation.

She highlighted the following aspects:

- What does the Auditor-General do;
- The Annual Audits Examine;
- Different Outcomes to an Audit;
- Irregular Expenditure; and
- How do we improve Government Spending.

She further referred members to a presentation on the Ugu District Municipality audit outcomes, whereby she took members through the following aspects:

- Various Categories of the Audit Outcomes;
- The 2015/16 Audit Outcomes;
- Ugu Municipality 4 Year Audit Outcomes;
- Ugu South Coast Tourism 4 Year Audit Outcomes;
- South Coast Development 4 Year Audit Outcomes;
- Restatement of Corresponding Figures;
- Material Losses and Impairments;
- Unaudited Disclosed Notes;
- Annual Financial Statements;
- Procurement and Contract Management;
- Asset Management;
- Leadership;

- Financial Management;
- Dashboard Report;
- Oversight Responsibility;
- Action Plans to Address Internal Control Deficiencies;
- Information Technology Governance Framework;
- Financial and Performance Management;
- Daily and Monthly Processing and Reconciling of Transactions;
- Governance;
- Mayor and Accounting Officer Comments to address Audit Findings; and
- Matters to be Addressed to Achieve Clean Audits

The Speaker pointed out that the AG report indicated that the Municipality had achieved an unqualified audit opinion with few matters that needed attention. She shared with members that the report also indicated that both the Ugu South Coast Tourism and the Ugu South Coast Development Agency had received a clean audit opinion.

Cllr Mthiyane, Cllr LMR Ngcobo and Cllr Machi congratulated the Ugu District Municipality and both the entities on a job well done and thanked the Management team and Council for working as a collective in order to ensure that a clean audit was achieved.

[*At that stage of the proceedings, Cllr Zwane left the meeting*].

On behalf of the Audit Committee, Ms C Elliot congratulated the Ugu District Municipality for receiving a clean audit opinion. She mentioned that for the forthcoming year, the Municipality had to focus on the future losses and bad debt.

The Speaker thanked Ms Zuma for taking members through the presentation.

Following discussion,

It was unanimously

RESOLVED:

That the Presentation by the Auditor-General of South Africa be and is hereby **NOTED**.

C 11/01/17 **Management Corrective Actions on Findings raised by the Auditor-General of South Africa in the Consolidated Audit Report of the 2016/17 Financial Year**

The Speaker apprised members that the said report would be submitted to the next meetings of MPAC and the Audit Committee; whereby same would be discussed in detail and thereafter same would be submitted to Council.

Cllr Mqwebu proposed that the report on the Management Corrective Actions on Findings raised by the Auditor-General of South Africa in the Consolidated Audit Report of the 2016/17 Financial Year should be submitted to the next meetings of MPAC and the Audit Committee and was seconded by Cllr Machi.

Cllr Henderson enquired if both the items under Matters for Discussions i.e. the Management Corrective Actions and the Annual Report would be deferred. He then referred members to page 13 of the first addendum, and pointed out that the 2015/16 Draft Annual Report was submitted for consideration and approval.

In response, the Municipal Manager explained to members that the Audit Report was presented by the Auditor-General for the 2015/16 Financial Year. He advised members that the second report, which was on the agenda was the Annual Report, which contained the AG's report. He shared with members that the Auditor-General had issued the Municipality with a Management letter, which contained various issues, which Management had to consider.

He informed members that Management had to develop a Turnaround Plan, which had to be presented together with the report from the Auditor-General. He explained to members that both the said reports were submitted for noting and thereafter both reports would be referred to the next meetings of the MPAC and the Audit Committee for further discussion.

Following discussion,

It was unanimously

RESOLVED:

(a) That the report on the Management Corrective Actions on Findings raised by the Auditor-General of South Africa in the Consolidated Audit Report of the 2016/17 Financial Year be and is hereby **NOTED**.

(b) That the report on the Management Corrective Actions on Findings raised by the Auditor-General of South Africa in the Consolidated Audit Report of the 2016/17 Financial Year be referred to the next meetings of the MPAC and the Audit Committee, and thereafter the said report be resubmitted to Council.

C 12/01/17 **Resignation: Cllr SB Cele**

The Speaker took members through the item.

She pointed out that Council must declare a vacant position. She shared with members that the Municipality would be guided by the IEC in terms of filling the vacant post.

Cllr Mthethwa appreciated Cllr SB Cele's dedication for serving the Communities of the Ugu District with dignity.

Cllr Mqwebu reminded members that the item was based on the resignation of Cllr SB Cele. She pointed out that the meeting deviated and there were discussions on Cllr Cele's role as the Mayor, and Cllr BT Cele shared the same sentiments.

The Speaker further thanked Cllr SB Cele for his dedication and perseverance.

Following discussion,

It was unanimously

RESOLVED:

(a) That the report on the Resignation of Cllr SB Cele be and is hereby **NOTED**.

(b) That the resignation of Cllr SB Cele be and is hereby **APPROVED**.

(c) That a vacancy be and is hereby **DECLARED**.

C 13/01/17 **Report: Late Cllr OT Mnyayiza, PR Councillor and Mayor of Ugu District Municipality**

The Municipal Manager took members through the item.

He requested that the comments under Item 6.5 should be removed from the report. He then requested that Council should also note the untimely demise of the late Mayor, Cllr OT Mnyayiza and that Council should declare a vacancy.

He shared with members that the said vacant position would be filled by the African National Congress (ANC). He informed members that the vacant position of the Mayor would be filled once the IEC had advised the Municipality of the replacement of the late Mayor.

The Deputy Mayor expressed his sadness regarding the loss of the late Mayor, Cllr OT Mnyayiza.

The Speaker thanked Management for all their support and hard work in the preparations of the funeral for the late Mayor, Cllr OT Mnyayiza.

Following discussion,

It was unanimously

RESOLVED:

(a) That the report regarding the late Mayor, Cllr OT Mnyayiza, PR Councillor and Mayor of Ugu District Municipality be and is hereby **NOTED**.

(b) That a vacancy be and is hereby **DECLARED**.

C 14/01/17 **Monthly Budget Statements – October 2016**

The General Manager: Treasury took members through the item.

She reported that the Capital Expenditure as at the end of October 2016 was 18.55%. She advised members that there was an improvement at the end of December 2016. She shared with members that the Adjustment Budget was currently being finalised.

Following which,

It was unanimously

RESOLVED:

(a) That the report on the Monthly Budget Statements for October 2016 be and are hereby **NOTED**.

(b) That the Monthly Budget Statements for the month of October 2016 and the supporting documents as presented be and are hereby **NOTED**.

(c) That the Monthly Budget Statements for the month of October 2016 and the supporting documents be submitted both to the Provincial and National Treasury in both electronic and hard copies.

C 15/01/17 **Draft 2017 Roster of Meetings**

The Speaker took members through the item.

She apprised members that the said item was presented at one of the previous meetings of the Executive Committee.

Cllr Machi enquired as to how would the Sub-Committee on the Women's Caucus operate given that the said structure was not included in the Roster of Meetings for 2017.

The Speaker advised members that the Women's Caucus had to be launched first, then the dates of the said structure would be reflected on the roster of meetings.

The Deputy Mayor pointed out that on 18 July 2017, Council would be engaged in a certain programme and according to the roster of meetings there were a number of Portfolio Committee meetings that would be held on the said date.

The Speaker emphasized that the dates should be amended accordingly.

Cllr Mthethwa proposed that the Roster of Meetings for 2017 should be approved with amendments and was seconded by Cllr Mthiyane.

Following discussion,

It was

RESOLVED:

(a) That the Draft 2017 Roster of Meetings be and is hereby **NOTED**.

(b) That the Draft 2017 Roster of Meetings be and is hereby **ADOPTED**, subject to the amendments being effected to the Roster.

(c) That the meetings on the Roster of Meetings for 18 July 2017 be amended accordingly.

C 16/01/17 **SALGA National Conference – 2016**

The Speaker took members through the item.

Following which,

It was unanimously

RESOLVED:

That the report on the SALGA National Conference 2016 be and is hereby **NOTED**.

C 17/01/17 **Circular No.19 of 2016: Determination of Full-Time Councillor Positions on Municipal Councils by MEC for Co-operative Governance and Traditional Affairs**

The Speaker took members through the item.

Following which,

It was unanimously

RESOLVED:

That Circular No.19 of 2016: Determination of Full-Time Councillor Positions on Municipal Councils by MEC for Co-operative Governance and Traditional Affair be and is hereby **NOTED**.

C 18/01/17 **Umuziwabantu: Handing Over of Fire Truck Equipment**

The Municipal Manager took members through the item.

He apprised members that the District had a mandate to assist the Local Municipalities in terms of the disaster management related issues, which also included the provision of equipment and training.

He reported that the equipment would be handed over to the Local Municipalities including the truck that would also be handed over to one of the Local Municipality.

He advised members that the hand over function would be held whereby all the concerned Municipalities would be invited.

Cllr LMR Ngcobo sought clarity as to which Local Municipality would receive the Fire Truck.

In response, the Speaker advised members that the Fire Truck would be handed over to the Umuziwabantu Local Municipality.

Following discussion,

It was unanimously

RESOLVED:

(a) That the report on the Umuziwabantu: Handing Over of Fire Truck Equipment be and is hereby **NOTED**.

(b) That the handover of the Mercedes Fire Truck (NPS 31520) to Umuziwabantu Local Municipality be and is hereby **APPROVED**.

(c) That the Assets Register be amended accordingly.

EXTRACTS FROM COMMITTEES

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

C 19/01/17 **Report on Gamalakhe Smart Meters**

The Municipal Manager took members through the item.

He highlighted the background of the project. He informed members that the Municipality installed a pilot project on Smart Meters at Gamalakhe. He explained to members that the said project was previously introduced by Province.

He informed members that during the implementation of the said project, the Municipality then encountered several challenges relating to the incompatible readings with the billing system. He also advised members that another challenge related to the existing tariff charges, which did not cater for the prepaid system.

He apprised members that the Executive Committee Workshop held on 08 March 2016, proposed that the smart meters should be removed and replaced by the conventional meters. He shared with members that it was also agreed that the debt that was owed by the 693 households should be written off and that the customers that had been paying should be given credit in the new account.

Cllr Mthethwa moved for the recommendation and was seconded by Cllr Lubanyana.

Cllr East enquired if the money that the Municipality had lost in the Gamalakhe Smart Meters Project would be recovered.

The Speaker explained to members that it was the said system that had the problem and not the community from Gamalakhe.

Following which,

It was unanimously

RESOLVED:

(a) That the report on the Gamalakhe Smart Meters be and is hereby **NOTED**.

(b) That the Smart Metering Systems be discontinued at Gamalakhe.

(c) That the Smart Meters be replaced with the Conventional Meters by January 2017.

(d) That all the accounts be adjusted accordingly from the date of the implementation of the project namely:

- Accounts with non-payments be written off; and
- Accounts with payments be credited

(e) That all the debts incurred before the implementation of the project remain and be recovered from the customers.

(f) That the debt amounting to R14 085 868.10 as irrecoverable be **WRITTEN OFF.**

(g) That the timeframe for the replacement of the Smart Meters with the Conventional Meters be changed from end February 2016 to end January 2017.

EXTRACTS FROM COMMITTEES

Extracts from the meeting of the Executive Committee held on 06 December 2016

C 20/01/17 **Public Participation Strategy**

The Speaker took members through the item.

Cllr Henderson referred members to page 112, Item 16: Municipal Communication with Communities and to page 116, Item (e) Communication with the Public, whereby he pointed out that the social media was excluded in the said Strategy. He then requested that the said Strategy should be amended accordingly.

In response, the Municipal Manager explained to members that the said Strategy was for Public Participation and not a Communications Strategy. He pointed out that the social media platforms would be incorporated into the Communications Strategy.

Cllr Mavundla moved for the recommendation and was seconded by Cllr Mthethwa.

Following much discussion,

It was unanimously

RESOLVED:

(a) That the report on the Public Participation Strategy be and is hereby **NOTED**.

(b) That the Reviewed Public Participation Strategy be and is hereby **ADOPTED**.

Extracts from the meeting of the Executive Committee held on 14 December 2016

C 21/01/17 **Ugu Emergency Drought Relief Business Plan Revision 2**

The Speaker took members through the item.

Cllr Naude referred members to Item 9, page 126 of the agenda and requested that a progress report on the issuing of purchase order to contractors should be furnished monthly.

Cllr Hlengwa referred members to Item 7 on page 125 of the agenda and sought clarity with regard to the number of boreholes that were reflected under Umdoni Municipality

. Cllr LMR Ngcobo also referred members to Item 7 on page 125 of the agenda, and enquired if the number of boreholes that were reflected under Umuziwabantu Municipality was corrected, given that the said error was also raised at the previous meeting of the Executive Committee.

On the issue of the purchase order to contractors, the General Manager: Water Services explained to members that funding was transferred to the Municipal account last week, and that the user department was currently in the process of creating orders. She mentioned that payment would be due in mid-February 2017.

With regards to the number of boreholes for Umdoni Municipality, she informed members that the attached report was a preliminary report that was submitted with the business plan in order to ensure that the Municipality met the submission date of the business plan. She pointed out that the said Department also requested a detailed implementation plan.

In terms of the number of boreholes that were reflected under Umuziwabantu Municipality, she confirmed that the said number was amended accordingly.

Following which,

It was unanimously

RESOLVED:

(a) That the report on the Ugu Emergency Drought Relief Business Plan Revision 2 be and are hereby **NOTED**.

(b) That the Ugu Emergency Drought Relief Business Plan: Revision 2 for the amount of R5, 000, 000.00 be and is hereby **APPROVED**.

(c) That the Provisions of the DORA and the MoA be adhered to by the Municipality.

(d) That a progress report on the issuing of purchase orders to contractors be furnished monthly.

C 22/01/17 **MINUTES FROM COMMITTEES**

Confirmed Minutes of the meeting of the Executive Committee held on 12 October 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 12 October 2016 be and are hereby **NOTED**.

URGENT MATTERS

C 23/01/17 **2015/2016 Draft Annual Report**

The Municipal Manager took members through the item.

He advised members that the Draft Annual Report was presented to Council in order to allow members to provide comments and inputs which should be in writing, and that same should be forwarded to the Senior Manager: Corporate Services and Shared Strategy.

He advised members that the said inputs would be consolidated and submitted to MPAC and thereafter, a report would be submitted to Council.

The Senior Manager: Corporate Services and Shared Strategy requested that the comments should be submitted by 15 February 2017.

Following discussion,

It was unanimously

RESOLVED:

(a) That the 2015/2016 Draft Annual Report be and is hereby **NOTED**.

(b) That, it noted that that the said inputs would be consolidated and submitted to MPAC and thereafter, a report would be submitted to Council.

(c) That the said comments and inputs be submitted in writing to the Senior Manager: Corporate Services and Shared Strategy by 15 February 2017.

C 24/01/17 **Circular No. 3 of 2017: Determination of Additional Full-Time Position on Municipal Councils by the MEC for Co-operative Governance and Traditional Affairs**

The Municipal Manager took members through the item.

Following which,

It was unanimously

RESOLVED:

(a) That the Circular No. 3 of 2017: Determination of Additional Full-Time Position on Municipal Councils by the MEC for Co-operative Governance and Traditional Affairs be and is hereby **NOTED**.

(b) That, it be noted that in the event that any Municipality had paid a full-time salary to a Councillor without having followed the attached procedure, this would result in irregular expenditure that will have to be recovered from the relevant Councillors.

C 25/01/17 **Circular No. 2 of 2013: Adherence to the Employment Equity Act No. 55 of 1998**

The Municipal Manager took members through the item.

Following which,

It was unanimously

RESOLVED:

(a) That the Circular No. 2 of 2013: Adherence to the Employment Equity Act No. 55 of 1998 be and is hereby **NOTED**.

(b) That, it be noted that the following Circulars were previously noted by Council:

- Circular No.2 of 2013: Adherence to the Employment Equity Act No.55 of 1998;
- Circular No. 4 of 2014: Local Government Regulation on Appointment and Conditions of Employment of Senior Managers – 17 January 2014;
- Circular No. 5 of 2012: Municipal Managers and Section 56 Managers: Compliance with Legislative Provisions;
- Circular No. 37 of 2011: Mandatory Submission of Information by Municipal Councils to the MEC for Co-operative Governance and Traditional Affairs, in terms of the Local Government: Municipal Systems Amendment Act 2011, Act No. 7 of 2011) Sections 54A(7)(a) in respect

of Appointment of Municipal Manager and Managers Accountable to the Municipal Manager; and

- Circular No. 10 of 2015: Guidelines and Procedures on the Application and Implementation of the Acts and Regulations in relation to the Appointment and Conditions of Employment of Senior Managers.

C 26/01/17 **Circular No. 25 of 2016: Councillors' Remuneration Determinations: Proposed Increases in respect of the 2016/2017 Financial Year in terms of Government Gazette Notice No. 1600 dated 21 December 2016**

The Municipal Manager took members through the background of the report.

He apprised members that the 4% increase related only to the part-time Councillors. He mentioned that the said increase would only be back-dated as from 10 August 2016.

Cllr East sought clarity whether the 4% increase was incorporated in the budget.

Responding, the Speaker confirmed that the Municipality had initially budgeted 5%.

Cllr Machi enquired if it was possible for the Municipality to add another percentage to the 4% increase.

The Speaker advised members that the 4% increase was gazetted and that the Municipality might consider the said request in the next financial year.

Following which,

It was unanimously

RESOLVED:

(a) That the Circular No. 25 of 2016: Councillors' Remuneration Determinations: Proposed Increases in respect of the 2016/2017 Financial Year in terms of Government Gazette Notice No. 1600 dated 21 December 2016 be and is hereby **NOTED**.

(b) That, it be noted that Municipalities were required to submit their applications to the MEC (via the Department) for consideration in order to implement any increases in Councillors' remuneration. Such letters of application should be accompanied by the following essential documents:

- A certified copy of the Council's resolution in which the Council's decision as to the proposed level of payment is specified. Please note: the percentage increase that is being applied for, should be in respect of the amounts that appear in the Notice. e.g 100% (and not in respect of the percentage increase of 4%);

- The attached amended certificate, duly completed and signed by both the Municipal Manager and the Chief Financial Officer;

- A copy of the audited annual financial statements for the 2015/16 municipal financial year as at 21 December 2016, failing which the Audited Financial Statements for 2014/2015 financial year will apply. (See item 18(2) of Notice 1600; and

- A copy of the Audit Report for the 2015/2016 Municipal Financial Year.

IN-COMMITTEE MATTERS

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

C 27/01/17 **Ugu South Coast Development Agency: Remuneration of Board Members**

The Municipal Manager took members through the item.

Cllr Manyoni moved for the recommendations and was seconded by Cllr Dube.

Following discussion,

It was

RESOLVED:

(a) That the report on the Ugu South Coast Development Agency: Remuneration of Board Members be and is hereby **NOTED**.

(b) That the remuneration of the Ugu South Coast Development Agency (USCDA) Board members to be paid under Category B1 as per the National Provincial Guidelines.

(c) That the Board be paid an annual Board fee, meeting fee and a maximum of three hours preparatory fee.

(d) That the Board fees be adjusted on an annual basis.

(e) That the current Board members be reimbursed.

C 28/01/17 **Labour Protest Action: Employee Group Life Scheme**

The Municipal Manager took members through the background of the report.

Cllr Mavundla moved for the recommendations and was seconded by Cllr Zungu.

Following discussion,

It was unanimously

RESOLVED:

(a) That the report on the Labour Protest Action: Employee Group Life Scheme be and is hereby **NOTED**.

(b) That all measures untaken by Management to mitigate the efforts of the work stoppage be and is hereby **ACCEPTED** and **RATIFIED**.

(c) That the agreement of back pay for the affected employees be and is hereby **RATIFIED**, and that such expenditure be deemed to be irregular and unauthorised and be dealt with in the Budget Adjustment 2016/17.

(d) That all legal processes in this matter continue.

C 29/07/17 **DATE OF NEXT MEETING**

It was noted that the date of the next meeting was scheduled for 23 February 2017.

C 30/01/17 **CLOSURE**

There being no further items for discussion, the Speaker declared the meeting closed at 13h38.

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