

UGU DISTRICT MUNICIPALITY

**MINUTES OF THE 57TH MEETING OF THE UGU DISTRICT MUNICIPAL COUNCIL
HELD IN THE COUNCIL CHAMBERS, HIBISCUS COAST MUNICIPALITY,
10 CONNOR STREET, PORT SHEPSTONE, ON THURSDAY, 26 MAY 2016,
AT 11H00.**

PRESENT:

Cllr SB Cele - Speaker

Cllrs NH Gumede (Exco Member), MA Chiliza (Exco Member), IM Mavundla (Exco Member), Dr SG Nyawuza (Exco Member), TM Cele, YL Duma, TN Dzingwa, GD Henderson, SA Khawula, TD Luthuli, MA Manyoni, MJ Mkhize, NP Mpanza, TD Mthuli, NY Mweshe, Y Nair, JM Ndlela, DH Njoko, VL Ntanza, FB Shezi, MG Sonwabo, J van Vuuren, SM Zuma and MPL Zungu.

BY INVITATION:

Mr M Mackrory - CEO: Ugu South Coast Tourism Entity
Ms J Crutchfield - Acting CEO: Ugu South Coast Development Agency

IN ATTENDANCE:

Mr DD Naidoo - Municipal Manager
Ms L Cele - General Manager: Water Services
Ms Z Mbonane - General Manager: Infrastructure and Economic Development (IED)
Mr VP Tsako - General Manager: Corporate Services
Ms F Mbili - Senior Manager: Corporate Strategy and Shared Services
Mr F Zama - Senior Manager: Mayoralty and Communications
Ms Z Dlamini - Manager: Internal Audit
Mr M Ngcobo - Manager: Public Participation
Ms MS Olivier - Manager: Legal Services
Ms N Surajbally - Administrative Officer

• **OPENING**

The Speaker requested Cllr Dr Nyawuza to open the meeting in prayer.

It was noted that a moment of silence was observed for Inkosi Z Lushaba who had passed on.

Thereafter, he welcomed all the Councillors, Amakhosi, officials from the Municipal Entities, the media and the public to the meeting.

He raised a concern with regard to the late arrival of some Councillors and some Officials. He pointed out that some Councillors and Officials were disciplined whilst others were not.

C 100/05/16 NOTICE OF MEETING

The notice of meeting was taken as read.

C 101/05/16 APPLICATIONS FOR LEAVE OF ABSENCE

It was noted that Cllrs NF Shusha (*indisposed*), NA Madlala (*council business*), LN Myende (*indisposed*), ST Gumede (*family bereavement*), BE Machi (*indisposed*), D Snashall (*indisposed*), MP Mtheshane (*indisposed*) and E Moosa Bux (*indisposed*) had requested leave of absence from the meeting.

Following which,

It was unanimously

RESOLVED:

That Cllrs NF Shusha (*indisposed*), NA Madlala (*council business*), LN Myende (*indisposed*), ST Gumede (*family bereavement*), BE Machi (*indisposed*), D Snashall (*indisposed*), MP Mtheshane (*indisposed*) and E Moosa Bux (*indisposed*) be and are hereby granted leave of absence from the meeting.

C 102/05/16 DECLARATION OF INTEREST

It was noted that there were none.

C 103/05/16 CONFIRMATION OF AGENDA

The Speaker took members through the confirmation of the agenda.

The Municipal Manager advised Council that there was a First Addendum.

He requested that Items 9.2 and 11.2.1 be deferred to another 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 inclusion of the items listed on the First Addendum and Items 9.2 and 11.2.1 be deferred to another meeting.

CONFIRMATION OF MINUTES

C 104/05/16 Minutes of the 56th Meeting of the Ugu District Municipal Council held on 21 April 2016

The Speaker took members through the confirmation of the minutes.

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

Following which,

It was

RESOLVED:

That the Minutes of the 56th Meeting of the Ugu District Municipal Council held on 21 April 2016 be and are hereby **CONFIRMED**.

C 105/05/16 MATTERS ARISING

It was noted that there were none.

OUTSTANDING MATTERS

C 106/05/16 SALGA Monthly Report: Councillors Pension Fund

It was noted that this item would be dealt together with Item 13.1 of the agenda.

STANDING ITEMS

C 107/05/16 SALGA Monthly Report

It was noted that there was no report.

MATTERS FOR DISCUSSION

C 108/05/16 Budget Speech by her Worship, the Mayor, Cllr NH Gumede

Her Worship, the Mayor, Cllr NH Gumede delivered her budget speech.

Following which,

It was unanimously

RESOLVED:

That the Budget Speech, by Her Worship, the Mayor, Cllr NH Gumede be and is hereby **NOTED**.

C 109/05/16 Technical Adjustments Budget: 2015/2016

It was noted that this item was deferred to another meeting.

C 110/05/16 Ugu District Municipality: Draft Budget 2016/2017

The Speaker took members through the Draft Budget for the financial year 2016/2017.

Commenting, Cllr Nair pointed out that he was very impressed with the Budget Speech due to the amount of work that was done by this Council. He emphasised that recognition should be given to both the Councillors and the Officials. He said that he hoped that publicity would be given due to the fact that work was done in the interest of the community.

Also commenting, Cllr Dr Nyawuza pointed out that there was good co-operation amongst the political parties within the Municipality. He hoped that the budget set aside would remove all the problems that the community was facing. He said that he acknowledged that the District had tried very hard to assist but one should bear in mind that it was a national problem.

He said that hopefully the new Council would put same as their first priority so that the whole District would benefit. He pointed out that the budget was done jointly, and that same was really appreciated.

He mentioned that when the budget was being implemented, one should bear in mind that there were some communities that had not benefited at all. He also said that there should be a reduction in service protests.

Concurring with Cllr Nair, the Deputy Mayor pointed out that the District was moving forward. He indicated that he was also impressed with the sentiments shared by Cllr Dr Nyawuza given that the said sentiments came with very encouraging words to speed up service delivery.

Also, Cllr Henderson congratulated both the Mayor and the Municipal Manager. He said that there was a lot of work that was done and that he was convinced that service delivery would continue to improve in the future.

The Deputy Mayor then moved for the adoption of the budget and was seconded by Cllr Nair.

Following which,

It was unanimously

RESOLVED:

- (a) That the report as regards the Ugu District Municipality: Draft Budget 2015/2016 be and is hereby **NOTED**.

(b) That the Draft Budget of Ugu District Municipality for the financial year 2016/2017 be and is hereby **APPROVED**, as set out in the following schedules:

- Table A1 - Budget Summary;
- Table A2 to Table A4 – Budgeted Financial Performance;
- Table A5 – Budgeted Capital Expenditure by vote, GFS and funding;
- Table A6 – Budget Financial Position;
- Table A7 – Budget Cash Flows;
- Table A8 – Accumulated Surplus Reconciliation;
- Table A9 – Asset Management;
- Table A10 – Basic Service Delivery Measurement;
- Other Supporting Tables (Table SA1 – SA37); and
- Detailed Capital Budget

(c) That increases in the Municipal tariffs for the budget year 2016/2017, as per the attached Tariff of Charges Schedule be and is hereby **ADOPTED**.

(d) That the following budget related policies for the budget year 2016/2017, be and is hereby **NOTED**:

- Water and Sanitation Tariff Policy;
- Basic Water Policy;
- Credit Control and Debt Collection Policy;
- Funding and Reserves Policy;
- Borrowing Policy;
- Cash Management and Investment Policy;
- Fixed Asset Management Policy & Asset Disposal Policy;
- Supply Chain Management Policy;
- Budget Policy;
- Virement Policy

C 111/05/16 Ugu South Coast Tourism: Draft Budget 2016/2017

The Speaker took members through the Draft Budget for the financial year 2016/2017 for the Ugu South Coast Tourism Entity.

Cllr Mavundla moved for the adoption of the budget and was seconded by Cllr Zuma.

Following which,

It was unanimously

RESOLVED:

- (a) That the report as regards the Ugu South Coast Tourism Entity: Draft Budget 2016/2017 be and is hereby **NOTED**.
- (b) That the Draft Budget of the Ugu South Coast Tourism Entity for the financial year 2016/2017 be and is hereby **APPROVED**, as set out in the following schedules:
 - Table D1 - Budget Summary;
 - Table D2 – Budgeted Financial Performance;
 - Table D3 – Capital Budget by vote and funding;
 - Table D4 – Budget Financial Position;
 - Table D5 – Budget Cash Flow;
 - Other Supporting Tables (Table SD1 – SD11)

C 112/05/16 Ugu South Coast Development Agency: Draft Budget 2016/2017

The Speaker took members through the Draft Budget for the financial year 2016/2017 for the Ugu South Coast Development Agency.

Cllr Mavundla moved for the adoption of the budget and was seconded by Cllr Shezi.

Following which,

It was unanimously

RESOLVED:

- (a) That the report as regards the Ugu South Coast Development Agency: Draft Budget 2016/2017 be and is hereby **NOTED**.
- (b) That the Draft Budget of the Ugu South Coast Development Agency for the financial year 2016/2017 be and is hereby **APPROVED**, as set out in the following schedules:
 - Table D1 - Budget Summary;
 - Table D2 – Budgeted Financial Performance;
 - Table D3 – Capital Budget by vote and funding;
 - Table D4 – Budget Financial Position;
 - Table D5 – Budget Cash Flow;
 - Other Supporting Tables (Table SD1 – SD11)

At that stage of the proceedings, the Speaker pointed out that the last five (5) years was quite challenging but given that all Councillors were working together

collectively and co-operatively; especially the members of the Executive Committee and that the hard work had turned the situation around.

He said that it could be said with pride that a lot of work had been done in terms of ensuring that the community were encouraged to pay their bills. He emphasised that steady progress had been made.

He thanked all that made a contribution to bringing a better life for all. He pointed out that the District was better today than it was yesterday.

C 113/05/16 Circular 3/2016/GIGR: Data Collection Tool for Once Off Gratuity Payment

The Speaker took members through the item.

He briefly explained to members that Councillors were reaching their end of term and that not all Councillors would return.

He pointed out that COGTA at a National Level had budgeted more than R300 million for the Councillors that were not returning and that same would be a once-off gratuity payment.

Following which,

It was unanimously

RESOLVED:

That Circular 3/2016/GIGR: Data Collection Tool for Once Off Gratuity Payment be and is hereby **NOTED**.

C 114/05/16 Unauthorised Expenditure: 2014/2015

The Speaker took members through the item.

Following which,

It was unanimously

RESOLVED:

- (a) That the report on Unauthorised Expenditure 2014/15 be and is hereby **NOTED**.
- (b) That the Unauthorised Expenditure of R310 376 720 for the financial year 2014/2015 to be written off be and is hereby **APPROVED**.

C 115/05/16 Monthly Budget Statements: February 2016

The Speaker gave Cllr van Vuuren an opportunity to comment on the monthly budget statements.

Cllr van Vuuren pointed out with concern that capital expenditure was at 43.6%. He indicated that it was observed that invoices were delayed; as a result payment was delayed.

He emphasised that it was of paramount importance to develop a policy on Creditors. He indicated that once there was a policy on Creditors then the said Policy would play a strong oversight role on service delivery in terms of capital expenditure.

With regard to the Debtors, he pointed that same was increasing, which was a continuous worry.

He said that the Municipality managed to save a lot of money and that an amount of R57 million was transferred to make the capital budget balance.

He pointed out that it was a great concern to both him and the Portfolio Committee on Finance.

The Speaker informed Council that the reason that he had requested Cllr van Vuuren to comment on the Monthly Budget Statements was for Council to see that there was a lot of self-criticism.

Following which,

It was unanimously

RESOLVED:

- (a) That the Monthly Budget Statement for the month of February 2016 and the supporting documents as presented be and is hereby **NOTED**.
- (b) That the Monthly Budget Statement for the month of February 2016 and the supporting documents be submitted to both Provincial and National Treasury in both electronic and hard copies.

C 116/05/16 ITEMS FROM AMAKHOSI

It was noted that there were none.

EXTRACTS FROM COMMITTEES

Extract from the meeting of the Executive Committee held on 04 May 2016

C 117/05/16 Variation Orders: Irregular Expenditure

The Speaker took members through the item.

Following which,

It was unanimously

RESOLVED:

- (a) That the report regarding the Variation Orders: Irregular Expenditure be and is hereby **NOTED**.
- (b) That there be a request for Contractors to be paid the amounts as per the attached schedule as the work was executed and completed in a satisfactory manner.
- (c) That the write-off for an amount of R6,696,675.69 as unauthorised expenditure be and is hereby **APPROVED**.

C 118/05/16 Report on the Incorporation of Chapter 18 (Offenses and Penalties), Chapter 19 (Serving of Notices), Chapter 20 (Fines) and Chapter 21 (Tariffs) into the Draft Public Health By-Laws for Public Participation

The Speaker took members through the Report on the Incorporation of Chapter 18 (Offenses and Penalties), Chapter 19 (Serving of Notices), Chapter 20 (Fines), and Chapter 21 (Tariffs) into the Draft Public Health By-Laws for Public Participation.

Following which,

It was unanimously

RESOLVED:

- (a) That the report as regards the Report on the Incorporation of Chapter 18 (Offenses and Penalties), Chapter 19 (Serving of Notices), Chapter 20 (Fines), and Chapter 21 (Tariffs) into the Draft Public Health By-Laws for Public Participation be and is hereby **NOTED**.
- (b) That the Incorporation of Chapter 18 (Offenses and Penalties), Chapter 19 (Serving of Notices), Chapter 20 (Fines), and Chapter 21 (Tariffs) into the Draft Public Health By-Laws be and is hereby **APPROVED** for Public Participation

Extract from the meeting of the Executive Committee held on 25 May 2016

C 119/05/16 Write-Off of Debt on Deceased Customers Accounts

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

C 120/05/16 ICT Policy Reviews

The Speaker took members through the item.

Following which,

It was

RESOLVED:

(a) That the report on the ICT Policy Reviews be and is hereby **NOTED**.

(b) That the following Policies be and is hereby **ADOPTED**:

- ICT Security Controls Policy;
- ICT User Management Policy; and
- ICT Operations Policy;

(c) That the following Policies be and is hereby **REPEALED**:

- Patch Management Policy;
- E-mail / Internet Usage Policy;
- ICT Systems User Management Policy;
- Backup and Restore Policy;
- ERP and Other Applications User Management Policy;
- ERP and Other Applications Change Control Policy and Procedure;
- ICT Systems Acquisition Policy;
- ICT Hardware and Software Policy; and
- Data Migration Policy and Procedures

C 121/05/16 2016/2017 Draft Annual Review of the 2012/2013 to 2016/2017 Integrated Development Plan (IDP)

The Speaker took members through the item.

Following which,

It was unanimously

RESOLVED:

(a) That the 2016/2017 Draft Annual Review of the 2012/2013 to 2016/2017 Integrated Development Plan (IDP) be and is hereby **NOTED**.

(b) That the 2016/2017 Draft Annual Review of the 2012/2013 to 2016/2017 Integrated Development Plan (IDP) be and is hereby **ADOPTED**.

MINUTES FROM COMMITTEES

C 122/05/16 Minutes of the 75th Meeting of the Executive Committee held on 13 April 2016

The Speaker took members through the item.

He mentioned that going forward, the meetings of the Portfolio Committee and all Fora would not sit; and that the meetings of the Executive Committee and Council would be held if there was an emergency and that same should be done upon consultation with the Speaker.

Following discussion,

It was unanimously

RESOLVED:

- (a) That the Minutes of the 75th Meeting of the Executive Committee held on 13 April 2016 be and is hereby **NOTED**.
- (b) That, it be noted that going forward, the meetings of the Portfolio Committee and all Fora would not sit; that the meetings of the Executive Committee and Council be held if there was an emergency and that same be done upon consultation with the Speaker.

URGENT MATTERS

C 123/05/16 Report on Special SALGA National Members Assembly

The Municipal Manager took members through the item.

He mentioned that the objective of the report was to advise Council of the SALGA National Members Assembly that was held on 19 and 20 May 2016 in Port Elizabeth.

Giving members a background to the item, he mentioned that the expected outcomes of the NMA were as follows:

- Profiling the successes and progress made over the last 15 years and during this term of Local Government;
- Key challenges hampering progress identified to inform strategy and plans for next term;
- Action plan adopted to manage the transition and ensure readiness service constituents uninterrupted;
- Support for non-returning Councillors, social empowerment plan and SALGA Integrated Councillor Induction Programme endorsed; and
- SALGA repositioning and re-branding officially launched.

He mentioned that the following were key items on the Programme, which generated much debate. He advised members that the annexures attached to the report were very informative on the following matters:

- Councillor Induction Programme
 - ✓ Parallel Programme for returning Councillors and new Councillors;
 - ✓ Emphasis on Portfolio Based Induction; and
 - ✓ Unit Standards and Credits
- Local Government Councillor Social Protection and Empowerment Plan
 - ✓ Emphasis of Non-Returning Councillors;
 - ✓ Empowerment for Sound Personal Financial Management;
 - ✓ Enterprise and Skills Development Opportunities;
 - ✓ Business Opportunities; and
 - ✓ Calculation for Payment of Once Off Gratuity
- Municipal Councillors Pension Fund (MCPF)
 - ✓ Sound Financial Position;
 - ✓ Payment to 80% of existing Councillors;
 - ✓ Amendment to Rules; and
 - ✓ Councillors to be deemed Public Office Bearers – National Fiscus
- Rebranding SALGA
 - ✓ New Logo;
 - ✓ Re-posting of Brand; and
 - ✓ Vision of SALGA

He informed members that the office of the Municipal Manager had further information on the National Members Assembly that could be made available on request.

Commenting, the Speaker referred to the Councillor Induction Programme and requested that Amakhosi should be included in same so that they could be given an opportunity to understand local government better.

After questions of clarity had been answered,

It was unanimously

RESOLVED:

That the report on the Special SALGA National Members Assembly be and is hereby **NOTED**.

C 124/05/16 DATE OF NEXT MEETING

It was noted that the date of the next meeting was scheduled for Thursday, 23 June 2016; however it was noted that going forward, the meetings of the Portfolio Committee and all Fora would not sit; that the meetings of the Executive Committee and Council be held if there was an emergency and that same be done upon consultation with the Speaker.

C 125/05/16 CLOSURE

In closing, the Speaker thanked all Councillors for their co-operation given from 2011.

He appealed that the contestation for votes from henceforth be conducted in a peaceful manner. He also appealed to all to keep peace and that the elections should be contested in a free and fair manner.

There being no further items for discussion, the Speaker declared the meeting closed at 12h45.

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