

UGU DISTRICT MUNICIPALITY

MINUTES OF THE 29TH MEETING OF THE UGU DISTRICT MUNICIPAL COUNCIL HELD IN THE COUNCIL CHAMBERS, RAY NKONYENI MUNICIPALITY, 10 CONNOR STREET, PORT SHEPSTONE, ON THURSDAY, 28 MARCH 2019, AT 11H05.

PRESENT:

Cllr NH Gumede - Speaker

Cllrs MA Chiliza (Mayor), PH Mthiyane (Deputy Mayor), AD Ngubo (Executive Member), SP Mthethwa (Executive Member), L Mzimela (Executive Member), S Chetty, SN Caluza, TB Cele, K Dladla, TA Disane, TW Dube, JJ East, DMM Hlengwa, GD Henderson, MA Manyoni, H Mbatha, NCP Mqwebu, NY Mweshe, R Nair, PT Naude, SR Ngcobo, JJ East, HJ Ngubelanga, A Rajaram and MPL Zungu,

BY INVITATION:

Inkosi ZGB Msomi

Mr P Preston	-	Chairperson: Audit Committee
Ms D Ludick	-	General Manager: Finance and Human Resources: Ugu South Coast Tourism Entity
Mr B Fikeni	-	Finance Manager: Ugu South Coast Development Agency

IN ATTENDANCE:

Mr DD Naidoo	-	Municipal Manager
Mr MS Dlamini	-	General Manager: Budget and Treasury Office
Mr VO Mazibuko	-	General Manager: Corporate Services
Mr P Watson	-	Acting General Manager: Water Services
Mr F Zama	-	Senior Manager: Mayoralty and Communications
Ms F Mbili	-	Senior Manager: Corporate Strategy and Shared Services
Ms N Mbambo	-	Manager: Legal Services
Mr A Mbhele	-	Manager: Administration and Auxiliary Services
Ms N Surajbally	-	Administrative Officer: Secretariat Unit
Ms B Malishe	-	Committee Co-ordinator

OPENING

The Speaker welcomed all to the meeting.

She informed members on the loss of the wife of Inkosi Buthelezi, who passed on as well as the loss of lives within the Ugu District and the Country.

Considering the above, she then requested Council to observe a moment of silence and requested Cllr TB Cele to open the meeting in prayer.

C 51/03/19 NOTICE OF MEETING

The notice of the meeting was taken as read.

C 52/03/19 APPLICATIONS FOR LEAVE OF ABSENCE

It was noted that Cllrs M Gcwabe (*party commitment*), GS Mngomezulu (*family commitment*), D Nciki (*council business*), LMR Ngcobo (*party commitment*), B Ntusi (*party commitment*), SE Khawula (*party commitment*) ZZ Msani (*party commitment*) and BE Machi (*party commitment*) had requested leave of absence from the meeting.

It was also noted that Cllr AD Ngubo had requested to leave the meeting at 13h00.

From the Management Component, it was noted that the Acting General Manager: Water Services (*leave*) and the Acting General Manager: EDES (*municipal business*) had requested leave of absence from the meeting.

It was further noted that Mr Paul Watson was representing the Acting General Manager: Water Services.

Following which,

It was unanimously

RESOLVED:

- (a) That Cllrs M Gcwabe (*party commitment*), GS Mngomezulu (*family commitment*), D Nciki (*council business*), LMR Ngcobo (*party commitment*), B Ntusi (*party commitment*), SE Khawula (*party commitment*), ZZ Msani (*party commitment*) and BE Machi (*party commitment*) be and are hereby granted leave of absence from the meeting.
- (b) That the request from Cllr AD Ngubo to leave the meeting at 13h00 be and is hereby **GRANTED**.
- (c) That from the Management Component, the Acting General Manager: Water Services (*leave*) and the Acting General Manager: EDES (*municipal business*) be and are hereby granted leave of absence from the meeting.
- (d) That, it be noted that Mr Paul Watson was representing the Acting General Manager: Water Services.

C 53/03/19 DECLARATION OF INTEREST

It was noted that there were none.

C 54/03/19 CONFIRMATION OF AGENDA

The Speaker took members through the confirmation of the agenda.

The Municipal Manager informed Council of the following:

- Main Agenda;
- In-Committee Agenda;
- Item 9.1 Report from the Audit Committee;
- Item 10.2 2017/2018 Oversight Report;
- Item 10.3 Draft Budget 2019/2020: Ugu District Municipality;
- Item 10.4 Draft Budget 2019/2020: Ugu South Coast Development Agency;
and
- Item 10.5 Draft Budget 2019/2020: Ugu South Coast Tourism Entity

He emphasized that the above items were listed on the Agenda.

He sincerely apologized for the late delivery of the items given that Management was dealing with the Draft Budget for the 2019/2020 financial year.

He then requested that an item on Water Issues be included on the Agenda as Item 13.1 under Urgent Matters.

In addition, the Mayor requested that he be given an opportunity to include an item under In-Committee Matters; however, he would divulge the name of the item when Council moved In-Committee.

Commenting, Cllr Henderson accepted the apology from the Municipal Manager regarding the late delivery of items.

However, he mentioned that the delivery of late items occurred on a regular basis and that there was no improvement at all. He requested that Council should adhere to the Standing Rules and Order and that Councillors should receive all documents within 72 hours of a meeting.

Thereafter, Cllr Mqwebu moved for the adoption of the Agenda and was seconded by Cllr Dube.

Following which,

It was

RESOLVED:

That the agenda convening the Ugu District Municipal Council meeting be and is hereby **CONFIRMED**; subject to the inclusion of Item 13.1 Water Issues under Urgent Matters and Item 14.7 Item by the Mayor under In-Committee Matters.

CONFIRMATION OF MINUTES

Minutes of the 28th Meeting of the Ugu District Municipal Council held on 26 February 2019

The Speaker took members through the confirmation of the minutes for the meeting held on 26 February 2019.

Cllr Ngubo moved for the adoption of the minutes and was seconded by Cllr Chetty.

Following which,

It was

RESOLVED:

That the Minutes of the 28th Meeting of the Ugu District Municipal Council held on 26 February 2019 be and are hereby **CONFIRMED**.

RESOLUTION REGISTER

Resolution Register for the 28th Meeting of the Ugu District Municipal Council held on 26 February 2019

The Speaker took members through the Resolution Register for the 28th Meeting of the Ugu District Municipal Council held on 26 February 2019.

Cllr Henderson referred members to page 17 of the Agenda, Resolution No. C36/02/19 and requested the letter of comment from Treasury. He pointed out that at the other Municipalities, the said letter was submitted to Council.

He indicated that in the said letter, there was an instruction from Treasury that same be tabled at Council.

He said that in fact, the said letter should have been tabled at the last Council meeting.

In response, the Municipal Manager assured members that Ugu District Municipality did not receive the letter that Cllr Henderson had alluded to.

Cllr Henderson then referred members to page 6 of the minutes, under Draft Budget Adjustment: 2018/2019: Ugu District Municipality, paragraph 4, whereby the General Manager: Budget and Treasury Office informed members that payment would be made soon and that he was dealing with same.

Cllr Henderson pointed out that it was a month later and there was no progress.

The General Manager: Budget and Treasury Office reported that he had received invoices from Cllr Henderson and that the said invoices still had to go to the Office of the Speaker for approval. He also advised Council that the Municipality had just received its Equitable Share.

He mentioned that the said invoice was for an amount of R25 000 which was for political activities.

He reiterated that the proper processes needed to be followed.

The Speaker requested that the said invoice be sent to the Office of the Speaker so that the Speaker could deal with same.

The Deputy Mayor pointed out that all claims should be submitted to the Chief Whip of a Political Party and the Chief Whip would then submit the claim to the Office of the Speaker.

Cllr Mzimela pointed out with concern that in Item 3 on the Agenda, under Declaration of Interest, the Democratic Alliance should have declared their interest but same was not done.

The meeting sought clarity on what the invoice was for.

In response, Cllr Henderson mentioned that the invoice was for the rent in Scott Street and that the Municipality had been paying for same for the last five (5) years.

It be noted that members found it strange and unusual for the Municipality to pay office rent for the Democratic Alliance (DA) or any other political party. Members pointed out that if the Municipality did pay office rent for the said party then same must be done for all the other political parties.

The Speaker requested the Chief Whip from the Democratic Alliance to deliver the said statements to the Office of the Speaker.

Cllr Mqwabu requested that the outcome of the said invoice regarding office rent for the Democratic Alliance must be reported to Council so that if the said rent was paid then same must apply for all the other political parties.

Cllr Dube sought clarity on the Cell Phone Allowances for the Councillors from the Local Municipalities, who were representatives in the District Council.

In response, the Municipal Manager explained to Council that the Cell Phone Allowance would only be for the difference between the Local Municipality and the District Municipality. He reported that he had met with SALGA and in the interim, Ugu District Municipality would have to amend the Cell Phone Allowance Policy to pay all the representatives from the Local Municipalities a certain amount.

He pointed out that the Cell Phone Allowance would be resolved at the next meeting.

Following which,

It was unanimously

RESOLVED:

- (a) That the Resolution Register for the 28th Meeting of the Ugu District Municipal Council held on 26 February 2019, be and is hereby **NOTED**.
- (b) That the Chief Whip from the Democratic Alliance (DA) submit the invoices for office rent to the Office of the Speaker.
- (c) That the outcome of the said invoice regarding office rent for the Democratic Alliance (DA) be reported to Council so that if the rent was paid then same must apply for the other political parties as well.

(d) That, it be noted that the Cell Phone Allowance would be resolved at the next meeting.

C 57/03/19 OUTSTANDING MATTERS

It was noted that there were none.

STANDING ITEMS

C 58/03/19 SALGA Monthly Report: 28 January 2019

It was noted that there were none.

C 59/03/19 Monthly Birthday Greetings: Councillors, Amakhosi and Senior Managers

The Speaker conveyed birthday wishes on behalf of Council to Cllr MA Manyoni, Cllr GS Mngomezulu, Cllr SR Ngcobo, Cllr HP Mbatha, Inkosi ZR Qwabe, the General Manager: Corporate Services and the Senior Manager: Corporate Strategy and Shared Services, who celebrated their birthdays during the month of March 2019.

Following which,

It was unanimously

RESOLVED:

That the Monthly Birthday Greetings for Councillors, Amakhosi and Senior Managers be and is hereby **NOTED**.

SECTION 79 REPORTS

C 60/03/19 Report from the Audit Committee

The Chairperson of the Audit Committee presented the Audit Committee Activities for Quarters 2 and 3.

He took members through the Audit Committee Meeting held on 07 December 2018.

In addition, he took members through the meeting convened by the General Manager: Budget and Treasury Office held on 10 and 11 January 2019 and highlighted the following concerns:

- No member of the Ugu Council was in attendance on both days;
- The CFO pointed out that the cost of water per month was approximately R14 million to which the cost of electricity must be added in accessing such water which was approximately R6 million; thus, the cost of water to Ugu was R20 million a month;
- It was pointed out that in January 2019; that in terms of the monthly water losses, this was far in excess of 33% of billable water and was not in fact known what the extent and degree of the water losses were. It became

quite apparent that Ugu was incurring material fruitless and wasteful expenditure because it was paying for water but was not earning revenue on and there were material losses of water which never reach any water meter;

- The dire situation with water was exacerbated by:
 - illegal connections;
 - Water losses caused by breaks;
 - The inability to bill customers when tankers and emergency water was used;
 - The properties with no water meters or meters that were connected to the system;
 - The slow response over a number of years of Ugu in remedying the water billing system; and
 - Lack of systems and communication between the BTO and the personnel installing the meters

He then informed Council of the meeting that was convened by the Political Leadership at the Ugu Disaster Management Centre on 04 February 2019.

In addition, he took members through the COGTA MEC meeting that was attended by the Audit Committee on 05 March 2019 and pointed out that an issue had emerged across the Province; but this was certainly not specific criticism of Ugu; was that MPAC was inexperienced and lacked financial skills. He mentioned that there was not enough financial knowledge and experience within the MPAC; yet in terms of legislation, MPAC had a very important function to perform. He indicated that Irregular Expenditure across the Province was not receiving proper attention from MPAC which materially affected the audit outcomes. He said that it was reported at the said meeting that MPAC was to receive specific training, which was good.

He further reported that it was agreed at the said meeting that MPAC needed to be strengthened and it was the AG's suggestion that the Chairperson of MPAC attend all the Audit Committee meetings and that a member of the Audit Committee attend all the MPAC meetings.

He said that another almost universal problem was the lack of Consequence Management for Senior Managers right across the Province.

He reported that there were concerns with the Ugu South Coast Development Agency, which was a municipal entity and was a private company registered in terms of the Companies Act which was completely controlled in that all its Shares were held by the Parent Municipality which was the Ugu District Municipality. He stated that this was because of a Directive from National Government to take over this Agency. He pointed out that it was not Ugu's decision to create the Entity, and it was transferred to Ugu from the Hibiscus Coast Municipality at great cost.

He further reported that the Audit function at the Entity was being materially impaired; for example; certain creditors have not been paid and no reason were given until the Audit Committee called for reports. He informed Council that a letter was written to the CEO indicating that there were going concern issues at the

Entity. In addition, he mentioned that the Adjustment Budget had material errors in it, because it may have provided for spending of money in a ring-fenced COGTA Grant for operational expenses.

He stated that another aspect which made the Development Agency a cause for concern was that the Ugu District Municipality had its own LED Department. He said that it meant that Ugu District Municipality was already employing people to initiate and support local economic development, so apart from same being fruitless and wasteful expenditure, the Entity was further a duplication in services.

He then took members through the meeting that was held on 25 March 2019 and highlighted the following concerns namely:

- Assets;
- Water Losses and Revenue: 55% of all Ugu water was lost as follows:
 - Indigent Water;
 - Stand Pipes;
 - Tankers, when there was no water in the area;
 - Leaks and breakages in systems;
 - Illegal connections; and
 - 6 kilolitres of water free to all customers

He reported that the billable water was only 45%. He said that Ugu was charging R12.95 for a kiloliter of water; yet it costed Ugu R18.38 to produce a kiloliter of water. He said that the tariff would have to be raised to over R20.00 per kiloliter and the free 6 kilolitres of water must come to an end.

He pointed out that there were shortcomings in the water billing process and that the Municipal Manager and the CFO had sent a letter to the Camelsa Consulting Group highlighting the shortcomings in the water billing process, and the alleged failure of Camelsa to resolve the billing issues on time and demanding corrective action for the benefit of Ugu. He pointed out that the reliance on Consultants made it very difficult, and the Auditor-General continuously stated that it did not audit Consultants but audited the Municipality and that the Management could not blame its Consultants for errors for non-compliance.

He indicated that the issue of water billing on vacant lots had been addressed, and that changes to the By-Laws were underway as reported by Management. He said that the new By-Law must be gazetted, which was taking a long time to resolve as the item was in the 2016/2017 Auditor-General's Management Report.

Regarding the Bank Accounts, he reported that the Ugu bank balances and cash equivalents for 18 March 2019 were considered and that the next tranche of Equitable Share was to be received on or about 31 March 2019, so it was a tough economic period for Ugu.

Relating to Water Services, he pointed out with concern that their corrective action was disappointing and superficial. He said that there was an indication or comfort that there would be change by the year end. He said that the Audit Committee confronted them about this because same were material findings in infrastructure and assets and water quality that the AG would revisit.

He then highlighted the Extended Public Works Programme Revenue as well as the Risk Registers.

Concluding, he referred to MPAC's roll and mentioned that the role of MPAC as a Committee to the Council was discussed at length. He said that the main reason was the R133 million irregular expenditure identified by the Auditor-General which needed be dealt with. He mentioned that the Audit Committee was informed that this was sent back to the Internal Audit Unit to audit so the matter was receiving attention at the moment, and if the irregular expenditure was not dealt with, then the Auditor-General would make the same finding, which would have a highly adverse effect on the next audit outcome.

Commenting, Cllr Henderson pointed out that in general, the report painted a dark picture of what was happening. He emphasized that the action that the Municipality was taking would not improve the situation.

He further emphasized that what was seen in the audit report was not new; but same had been in the audit report for a while.

He touched on the Ugu South Coast Development Agency and pointed out that same had achieved nothing. He said that Council should task the Municipal Manager to investigate and most probably in the long term, the two Entities should be amalgamated and that the Municipal Manager should then give feedback to Council and was seconded by Cllr Rajaram.

Also commenting, Cllr Mqwebu pointed out with concern that it appeared as though the officials could not work with the Audit Committee. She requested that the Audit Committee must refer the said officials to the Political Leadership so that the Political Leadership could intervene.

Cllr Ngubo welcomed the report. He referred members to Page 2, No. 3; and stressed concern whereby it was stated that no members of the Ugu Council took part in the meeting.

He then referred members to Page 11, No. 3 and advised that the Audit Committee should make recommendations to assist Council.

He pointed out with concern that it was no use for the Audit Committee to present a report to Council for noting purposes; instead the Audit Committee should make recommendations to the Council.

The Deputy Mayor also welcomed the report. She pointed out that there seemed to be challenges at the Ugu South Coast Development Agency and suggested that Council should task the Municipal Manager to see what was happening and was seconded by Cllr Manyoni.

Cllr Manyoni also concurred that the report should include recommendations and not minutes only.

The Mayor pointed out that on a quarterly basis, the Audit Committee was supposed to do assessments and then submit same to Council together with recommendations.

He pointed out that one needed to look into the Internal Audit Section and be informed as to what the said Section really did.

In relation to the issue of the Ugu South Coast Development Agency, he mentioned that same was a provincial and national government idea and that the said Agency was to create jobs and empower people.

He pointed out that the RASET Programme was there to assist the community.

He also pointed out that the Development Agency and the Ugu South Coast Tourism were two different Entities.

Cllr Ngubo pointed out that there was no way that the Municipality could do away with the Ugu South Coast Development Agency. He emphasized that the Ugu Fresh Produce Market needed to be revived and that Amakhosi and the other Sector Departments were willing to assist.

The Speaker tasked the Municipal Manager to deal with the issue of the Ugu South Coast Development Agency.

Following which,

It was unanimously

RESOLVED:

- (a) That the Report from the Audit Committee be and is hereby **NOTED**.
- (b) That in future, the report be provided with recommendations as well.
- (b) That given that there seemed to be challenges at the Ugu South Coast Development Agency, the Municipal Manager be and is hereby tasked to investigate the issue of the Ugu South Coast Development Agency and thereafter report the outcome to Council.

MATTERS FOR DISCUSSION

Monthly Budget Statement – January 2019

C 61/03/19

The Speaker took members through the item.

It was unanimously

RESOLVED:

- (a) That the Monthly Budget Statement for the month of January 2019 and the supporting documents as presented be and is hereby **NOTED**.

- (b) That the Monthly Budget Statement for the month of January 2019 and the supporting documents be submitted to both Provincial and National Treasury in both electronic and hard copies.

C 62/03/19

2017/2018 Oversight Report

The Chairperson of the Municipal Public Accounts Committee (MPAC) presented the 2017/2018 Oversight Report.

He then took members through the following aspects namely:

- Introduction;
- Background;
- Functions of the Oversight Committee;
- Composition of the Oversight Committee;
- The Oversight Report;
- Annual Report Checklist;
- Conclusion; and
- Annexures

It was noted that a Terms of Reference for the Oversight Committee would be submitted to the next meeting for approval.

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

Following which,

It was

RESOLVED:

- (a) That the 2017/18 Oversight Report be and is hereby **NOTED**.
- (b) That having fully considered the Annual Report of the Ugu District Municipality for the 2017 / 2018 Financial Year, the Oversight Report for the 2017 / 2018 Financial Year be and is hereby **ADOPTED**.
- (c) That the Annual Reports of the Ugu District Municipality and its Entities for the 2017 / 2018 Financial Year, with the reservations as included in the comments in the Oversight Report be and is hereby **APPROVED**.
- (d) That the Oversight Report be made public in accordance with Section 129 (3) of the Municipal Finance Management Act 56 of 2003.
- (e) That the Oversight Report be submitted to the Provincial Legislature in accordance with Section 132(3) of the Municipal Finance Management Act 56 of 2003.

Draft Budget: 2019/2020: Ugu District Municipality

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

He presented the Draft Budget for Ugu District Municipality for the 2019/2020 Financial Year.

Cllr MA Chiliza, as the Chairperson of the Portfolio Committee on Finance explained to Council that the Draft Budget for 2019/2020 was presented under very difficult circumstances.

He reminded members that in the Budget Adjustment, non-core functions had to be cut.

He emphasized that all along the Municipality had provided free water to the community even for those who were not indigent.

He said that in this budget, all the above were considered.

In addition, the General Manager: Budget and Treasury Office mentioned that allocations were put aside for repair and maintenance.

He pointed out that the free water would be for the indigent people only.

He said that the prioritization of the budget was based on priorities of Council and that prioritization must focus on all sides within the Ugu District.

He stated that the incomplete projects also needed to be considered.

He emphasized that the needs of the community needed to be taken into consideration and be dealt with.

He pointed out that the tariff needed to be corrected and that the tariff increment would be 22% given that the following were considered and if the following were added up, the total would be 22%:

- NERSA – 9.41%;
- Buying water from Umgeni Water – 9.6%
- Salary Increment – staff –6.76%

He also pointed out that the 6kl of water that was given for free to everyone would be limited to the indigent only and those that were not indigent would now pay for their water.

He said that the more water people used, people would be billed more.

He stated that it was imperative to encourage people to save water.

He then referred to the Gated Estates and mentioned that people paid R9.15 for a kilolitre of water; yet the production cost for a kilolitre of water was R15.98.

He said that the same rate applied for the businesses, government sectors and residential.

He indicated that the business and government sectors would be charged R1 more than the residential.

Referring to the 6kl of free water that was given to everyone; he mentioned that same was like giving a 5000L Jojo Tank of water free to the community every month.

He said that within the 22%, 3% would be set aside for repairs and maintenance and infrastructure replacement e.g. 2% would go towards repairs and 1% would be for infrastructure replacement.

He reported that the basic charge would remain the same.

Commenting, Cllr Henderson emphasized that it was ridiculous for the Municipality to go out to the people proposing a 22% increase.

Cllr SR Ngcobo moved for the adoption of the Draft Budget for Public Participation. He said that same should be taken to the community and then feedback would be brought to Council and was seconded by Cllr Cele.

Cllr Henderson sought clarity as to how much was the real increase given that the community was getting the free 6kl per month; now they would be paying for same.

In response, the General Manager: Budget and Treasury Office explained that the free 6kl of water costed R108 per month.

Cllr Henderson pointed out that the Municipality wanted to get income from the community to hide their inefficiencies.

He said that the Democratic Alliance was going to do a benchmarking exercise on the water tariffs throughout South Africa.

Cllr Cele cautioned members that the budget should not be politicized; but Council, as a whole, should take a decision.

The Mayor disagreed that the community would be losing 6kl of water per month. He said that in fact, the Municipality was assisting the community although the community could afford to pay for same.

He pointed out that even all present at this meeting were beneficiaries of the 6kl of water for free.

Regarding the 6kl of free water given to the community, the Municipal Manager pointed out that Ethekwini Municipality was the only Municipality that gave the 6kl of free water to the people that owned a property less than R250 000; yet Ugu District Municipality was giving same to everyone.

He said that all communities except the indigent would pay from 1kl of water used.

He highlighted the tariffs as follows for the following Municipalities:

- Ilembe - R32.38 per kl
- King Cetshwayo - R30.62 per kl
- Ethekwini - R49.53 per kl
- Cape Town - R61.66 per kl
- City of Joburg - R49.95 per kl

As regards Cape Town, he mentioned that the cost was R61.66 for 1 to 20kl, R36.43 for 20 to 35kl and over 50kl, it was R209.00

Cllr Mthethwa emphasized with concern that it was unfair for the Municipality to misuse funds; and then the Municipality was increasing its tariff.

Following which,

It was

RESOLVED:

- (a) That the report on the Ugu District Municipality: Draft Budget: 2019/2020 be and is hereby **NOTED**.
- (b) That the Draft Budget of the Ugu District Municipality for the financial year 2019/2020 and its outer years be and is hereby **APPROVED** for Public Participation; as set out in the following schedules:
 - Table A1 – Budget Summary;
 - Table A2 – Budget Financial Performance (Standard Classification);
 - Table A3 – Budget Financial Performance (Rev & Exp by municipal vote);
 - Table A4 – Budget Financial Position (Revenue & Expenditure);
 - Table A5 – Capital Budget;
 - Table A6 – Budget Financial Position;
 - Table A7 – Budget Cash Flow;
 - Table A8 – Cash Backed Reserves;
 - Table A9 – Asset Management;
 - Table A10 – Basic Service Delivery; and
 - Other Supporting Tables (Table SA1-SA37)

C 64/03/19

Draft Budget: 2019/2020: Ugu South Coast Tourism Entity

Ms Ludick took members through the item.

She then presented the Draft Budget for the 2019/2020 Financial Year for the Ugu South Coast Tourism Entity.

Following which,

It was unanimously

RESOLVED:

- (a) That the report on the Draft Budget: 2019/2020: Ugu South Coast Tourism Entity be and is hereby **NOTED**.
- (b) That the Draft Budget: 2019/2020: Ugu South Coast Tourism Entity be and is hereby **APPROVED** for Public Participation.

C 65/03/19

Draft Budget: 2019/2020: Ugu South Coast Development Agency

Mr Fikeni took members through the item.

He presented the Draft Budget for the 2019/2020 Financial Year for the Ugu South Coast Development Agency.

Following which,

It was unanimously

RESOLVED:

- (a) That the report regarding the Draft Budget: 2019/2020: Ugu South Coast Development Agency be and is hereby **NOTED**.
- (b) That the Draft Budget: 2019/2020: Ugu South Coast Development Agency be and is hereby **APPROVED** for public participation.

EXTRACTS FROM COMMITTEES

Extracts from the meeting of the Executive Committee held on 06 March 2019

Draft Schedule on IDP and Budget Roadshow 2019

C 66/03/19

The Municipal Manager took members through the item.

Following which,

It was

RESOLVED:

- (a) That the report regarding the Draft Schedule of IDP and Budget Roadshow 2019 be and is hereby **NOTED**.
- (b) That the Draft Schedule of IDP and Budget Roadshow 2019 dates for the Local Municipalities be combined and members be put into teams.

- (c) That the Municipal Manager be and is hereby tasked to liaise with the Umuziwabantu Municipality to shift and combine the dates.

C 67/03/19

Development Planning Shared Services Grant Funding 2019/2020 Financial Year

The Speaker took members through the item.

Following which,

It was unanimously

RESOLVED:

- (a) That the Development Planning Shared Services Grant Funding 2019/20 Financial Year be and is hereby **NOTED**.
- (b) That the Grant Funding of R550, 000.00 from the Department of Co-operative Governance and Traditional Affairs be and is hereby **ACCEPTED** for the Ugu District Planning Shared Services.
- (c) That the provision of DORA, PFMS and the conditions of the Agreement of Grant in respect of the funds be and is hereby **ACCEPTED**.
- (d) That the Municipal Manager be and is hereby **AUTHORISED** to sign all documentations that were applicable to the Grant.

C 68/03/19

MINUTES FROM COMMITTEES

Minutes of the 34th Meeting of the Executive Committee held on 20 February 2019

The Speaker took members through the minutes of the 34th meeting of the Executive Committee held on 20 February 2019.

Following which,

It was unanimously

RESOLVED:

That the Confirmed Minutes of the 34th Meeting of the Executive Committee held on 20 February 2019 be and are hereby **NOTED**.

C 69/03/19

Minutes of the Special Meeting of the Executive Committee together with the Portfolio Committee on Finance and the Portfolio Committee on Water and Sanitation held on 12 February 2019

The Speaker took members through the minutes of the special meeting of the Executive Committee together with the Portfolio Committee on Finance and the Portfolio Committee on Water and Sanitation held on 12 February 2019.

Following which,

It was unanimously

RESOLVED:

That the Minutes of the Special Meeting of the Executive Committee together with the Portfolio Committee on Finance and the Portfolio Committee on Water and Sanitation held on 12 February 2019 be and are hereby **NOTED**.

URGENT MATTERS

C 70/03/19

Water Supply Interruptions

The Acting General Manager: Water Services took members through the item.

He mentioned that the objective of the report was to apprise Council on the recent water supply interruptions in the Bhobhoyi and the Umtamvuna supply areas, the root causes, the status and the future interventions.

He mentioned that the Municipality had experienced a series of both water supply interruptions and sanitation services provision for over the past three (3) weeks due to the infrastructure breakdown, the electricity supply outage to the core water infrastructure and vandalism during the service delivery protest.

He reported that the water supply system restoration delays were experienced as a result of the outdated system configuration, the high water demand, the technical issues; and that most of the challenges were overcome and water supply was restored.

He then reported on the following Systems namely:

- St Helens Rock Raw Water Pump station and Off Channel Storage Dam;
- Bhobhoyi Water Purification Works;
- Gamalakhe Township;
- Shelly Beach;
- Uvongo;
- Margate;
- Ramsgate;
- Port Edward;
- Izinqolweni / Kwa Xolo System; and
- Umtamvuna Raw Water Abstraction;

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

The Mayor appealed to members to encourage the Ward Councillors to advise the communities on the happenings and to request the communities to send their requests and complaints via the Ward Councillors.

Following which,

It was

RESOLVED:

That the report on the Water Supply Interruptions be and is hereby **NOTED**.

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

IN-COMMITTEE MATTERS

C 71/03/19

In-Committee Minutes of the 28th Meeting of the Ugu District Municipal Council held on 26 February 2019

The Speaker took members through the In-Committee Minutes of the 28th meeting of the Ugu District Municipal Council held on 26 February 2019.

Following which,

It was unanimously

RESOLVED:

That the In-Committee Minutes of the 28th Meeting of the Ugu District Municipal Council held on 26 February 2019 be and are hereby **CONFIRMED**.

C 72/03/19

In-Committee Minutes of the Meeting of the Executive Committee together with the Portfolio Committee on Finance and the Portfolio Committee on Water and Sanitation held on 12 February 2019

The Speaker took members through the In-Committee Minutes of the Meeting of the Executive Committee together with the Portfolio Committee on Finance and the Portfolio Committee on Water and Sanitation held on 12 February 2019.

Following which,

It was unanimously

RESOLVED:

That the In-Committee Minutes of the Meeting of the Executive Committee together with the Portfolio Committee on Finance and the Portfolio Committee on Water and Sanitation held on 12 February 2019 be and are hereby **NOTED**.

C 73/03/19

In-Committee Minutes of the 34th Meeting of the Executive Committee held on 20 February 2019

The Speaker took members through the In-Committee Minutes of the 34th Meeting of the Executive held on 20 February 2019.

Following which,

It was unanimously

RESOLVED:

That the In-Committee Minutes of the 34th Meeting of the Executive Committee held on 20 February 2019 be and are hereby **NOTED**.

C 74/03/19

Term of Office for Audit Committee Member

The Municipal Manager took members through the item.

Following which,

It was unanimously

RESOLVED:

- (a) That the report regarding the Term of Office for Audit Committee Member be and is hereby **NOTED**.
- (b) That the request for the contract for Ms Bongeka Jojo be extended for a period of three (3) years be and is hereby **APPROVED**.

C 75/03/19

Appointment of the General Manager: Water Services

[At that stage of the proceedings, the Speaker requested all Officials to leave besides the Municipal Manager, the General Manager: Corporate Services and the Secretariat Unit.]

The Municipal Manager took members through the item.

Following which,

It was unanimously

RESOLVED:

- (a) That the report by the Municipal Manager, Mr DD Naidoo on the Appointment of General Manager: Water Services be and is hereby **NOTED**.
- (b) That the competency assessment results for Mr SN Mbewu be and is hereby **NOTED** and received as supporting documents to the recommendation of the Interviewing Panel to appoint Mr SN Mbewu to the position of General Manager: Water Services as approved by the Executive Committee on 06 March 2019.

- (c) That the employment contract duration be a five (5) year fixed term performance-based contract with a total remuneration package of R1 376 505.00 (Midpoint of a Category 06 Municipality).
- (d) That the Municipal Manager be and is hereby **AUTHORISED** to submit resolutions of the Council to the MEC for CoGTA, for consideration and concurrence.

C 76/03/19

Appointment of General Manager: EDES

The Municipal Manager took members through the item.

Following which,

It was unanimously

RESOLVED:

- (a) That the report by the Municipal Manager, Mr DD Naidoo on the Appointment of General Manager: EDES be and is hereby **NOTED**.
- (b) That the competency assessment results for Ms NA Walingo be and is hereby **NOTED** and received as supporting documents to the recommendation of the Interviewing Panel to appoint Ms NA Walingo to the position of General Manager: EDES as approved by the Executive Committee on 06 March 2019.
- (c) That the employment contract duration be a five (5) year fixed term performance-based contract with a total remuneration package of R1 376 505.00 (Midpoint of a Category 06 Municipality).
- (d) That the Municipal Manager be and is hereby **AUTHORISED** to submit resolutions of the Council to the MEC for CoGTA, for consideration and concurrence.

[At that stage of the proceedings, the Municipal Manager and the General Manager: Corporate Services were requested to leave the meeting.]

C 77/03/19

Challenges regarding Ugu District Municipality being Overstaffed

The Mayor took members through the item.

Cllr Mzimela moved for the said request to be done and was seconded by Cllr Nair.

Following which,

It was unanimously

RESOLVED:

- (a) That the verbal report on the Challenges regarding Ugu District Municipality being Overstaffed be and is hereby **NOTED**.
- (b) That the MEC for CoGTA be and is hereby requested to investigate if there were any ghost employees in the Municipality by conducting an audit.
- (c) That if CoGTA's investigation revealed that there were no ghost employees within the Municipality then an investigation be done on why the Municipality was overstaffed.

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

C 78/03/19

DATE OF NEXT MEETING

It was noted that the date of the next meeting was scheduled for 25 April 2019.

C 79/03/19

CLOSURE

There being no further items for discussion, the Speaker declared the meeting closed at 14h07.

CHAIRPERSON: _____

DATE: _____