

UGU DISTRICT MUNICIPALITY

MINUTES OF THE 19TH MEETING OF THE UGU DISTRICT MUNICIPAL COUNCIL HELD IN THE COUNCIL CHAMBERS, RAY NKONYENI MUNICIPALITY, 10 CONNOR STREET, PORT SHEPSTONE, ON THURSDAY, 29 MARCH 2018, AT 11H30.

PRESENT:

Cllr NH Gumede - Speaker

Cllrs MA Chiliza (Exco member), PH Mthiyane (Exco member), NT Zwane, LMR Ngcobo (Exco Member), TW Dube, M Gcwabe, NCP Mqwebu, TB Cele, NY Mweshe, JJ East, HJ Ngubelanga, D Nciki, DMM Hlengwa, MA Manyoni, SR Ngcobo, MPL Zungu, L Mzimela, A Rajaram, GD Henderson, TA Disane and SE Khawula.

BY INVITATION:

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

Mr BS Fikeni	-	Ugu South Coast Development Agency
Ms ND Shabane	-	Ugu Multi - Civil Society Forum
Mr SC Chili	-	Ugu Multi - Civil Society Forum
Mr HC Mbuthuma	-	Ugu Multi - Civil Society Forum
Mr J Mackrory	-	Ugu South Coast Tourism Entity

IN ATTENDANCE:

Mr DD Naidoo	-	Municipal Manager
Ms L Cele	-	General Manager: Water Services
Mr MS Dlamini	-	General Manager: Treasury
Ms Z Mbonane	-	Acting General Manager: Economic Development and Environmental Health
Ms VP Tsako	-	General Manager: Corporate Services
Ms F Mbili	-	Senior Manager: Corporate Strategy and Shared Services
Mr F Zama	-	Senior Manager: Mayoralty and Communications
Mr M Ngcobo	-	Manager: Public Participation
Mr A Mbhele	-	Manager: Administration and Auxiliary Services
Mr K Oduro	-	Acting Manager: Risk and Internal Audit
Ms N Mbambo	-	Acting Manager: Legal Services
Ms N Surajbally	-	Administrative Officer: Secretariat Unit
Ms B Malishe	-	Committee Coordinator
Ms T Kikine	-	Committee Clerk

• **OPENING**

The Speaker welcomed all to the meeting.

She informed members of the loss of Mr S Khuzwayo, the Senior Manager: Economic Development and Environmental Health as well as the five school children from the Umzombe area and the 13 people from the Eastern Cape, who passed on due to car accidents.

She then requested Council to observe a moment of silence and requested Cllr TB Cele to open the meeting in prayer.

C 54/03/18 NOTICE OF MEETING

The notice of meeting was taken as read.

C 55/03/18 APPLICATIONS FOR LEAVE OF ABSENCE

It was noted that Cllrs H Mbatha (*council business*), SN Caluza (*council business*), AD Ngubo (*council business*), SP Mthethwa (*council business*), ZZ Msani (*council business*), B Ntusi (*council business*) and PT Naude (*council business*), had requested leave of absence from the meeting.

It was noted that Cllrs DMM Hlengwa and PH Mthiyane requested to be excused from the meeting early.

It was further noted that Cllr WT Dube would join the meeting late.

Following which,

It was unanimously

RESOLVED:

(a) That Cllrs H Mbatha (*council business*), SN Caluza (*council business*), AD Ngubo (*council business*), SP Mthethwa (*council business*), ZZ Msani (*council business*), B Ntusi (*council business*) and PT Naude (*council business*) be and are hereby granted leave of absence from the meeting.

(b) That, it be noted that Cllrs DMM Hlengwa and PH Mthiyane would leave the meeting early.

(c) That, it be noted that Cllr WT Dube would be joining the meeting late.

C 56/03/18 DECLARATION OF INTEREST

It was noted that there were none.

C 57/03/18 CONFIRMATION OF AGENDA

The Speaker took members through the confirmation of the agenda.

The Municipal Manager requested that the First Addendum and the inclusion of all the attachments as well as Item 13.1 Appointment of the General Manager: Corporate Services should be added to 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 following:

- Items on the First Addendum including all the attachments; and
- Item 13.1 Appointment of General Manager: Corporate Services under In-Committee Matters.

CONFIRMATION OF MINUTES

C 58/03/18

Minutes of the 18th Meeting of the Ugu District Municipal Council held on 22 February 2018

The Speaker took members through the confirmation of the minutes for the meeting held on 22 February 2018.

Cllr SR Ngcobo pointed out with concern that the Municipal Manager was the one that pointed out the corrections in the minutes more than the members of Council. He then requested that in future, the Municipal Manager should ensure that the minutes were edited accordingly.

Thereafter, he moved for the acceptance of the minutes and was seconded by Cllr LMR Ngcobo.

Following which,

It was

RESOLVED:

(a) That the minutes of the 18th Meeting of the Ugu District Municipal Council held on 22 February 2018, be and are hereby **CONFIRMED**, subject to the abovementioned amendments being effected to the minutes.

- Page 3, sixth paragraph, the last sentence, the word “a” be replaced with the word “the”.
- Page 7, forth paragraph, the first sentence be rephrased to read as follows:
“Cllr East pointed out with concern that in the 2017/2018 Adjustment Budget, the figures were multiplied by two”.
- Page 7, sixth paragraph, the first sentence, the word “and” be inserted between the words “areas” and “if”.

- Page 13, fourth paragraph, the first sentence be rephrased to read as follows:

“Cllr Mzimela pointed out with concern that some of the communities in KwaJali and KwaMbotho as well as in the deep rural areas of Umzumbe had never seen a tap with running water in their lives”.

- Page 13, second sentence the word “*fruitless*” be placed with “*frivolous*”.
- Page 15, last sentence, the word “*noting*” be replaced with “*through*”.

(b) That the Municipal Manager be and is hereby tasked to ensure that the minutes were edited accordingly.

RESOLUTION REGISTER

C 59/03/18 Resolution Register for the 18th Meeting of the Ugu District Municipal Council held on 22 February 2018

The Speaker took members through the Resolution Register for the 18th Meeting of the Ugu District Municipal Council held on 22 February 2018.

Following which,

It was unanimously

RESOLVED:

That the Resolution Register for the 18th Meeting of the Ugu District Municipal Council held on 22 February 2018, be and is hereby **NOTED**.

C 60/03/18 OUTSTANDING MATTERS

It was noted that there were none.

STANDING ITEMS

C 61/03/18 Monthly SALGA Report: February 2018

The General Manager: Corporate Services took members through the item.

Following which,

It was unanimously

RESOLVED:

That the Monthly SALGA Report: February 2018 be and is hereby **NOTED**.

C 62/03/18 Monthly SALGA Report: March 2018

The General Manager: Corporate Services took members through the item.

Following which,

It was unanimously

RESOLVED:

That the Monthly SALGA Report: March 2018 be and is hereby **NOTED**.

MATTERS FOR DISCUSSION

C 63/03/18 District Multi-Civil Society Forum

The Manager: Public Participation apprised members that the Office of the Speaker was given a task to launch the District Multi-Civil Society Forum. He advised members that an item was presented at the last meeting of the Speakers' Forum and to the Executive Committee.

He then introduced the members of the District Multi-Civil Society Forum to the Council.

Cllr LMR Ngcobo proposed that the Manager: Public Participation should be tasked to prepare a written report on the District Multi-Civil Society Forum which would be circulated to all members at the next meeting and was supported by Cllr SE Khawula.

Following which,

It was unanimously

RESOLVED:

(a) That the verbal report on the District Multi-Civil Society Forum be and is hereby **NOTED**.

(b) That the Manager: Public Participation be and is hereby tasked to prepare a written report on the District Multi-Civil Society Forum which would be circulated to all members at the next meeting.

C 64/03/18 Ugu District Municipality: Draft Budget: 2018/2019

The General Manager: Treasury took members through the item.

He then highlighted the following aspects on the report:

- South African Economy and Inflation Targets;
- Proposed Tariffs Increments for 2018/2019 Financial Year;
- Draft Revenue Budget for 2018/ 2019 – 2020/2021 Financial Years;
- Analysis of the Conditions of Grants;
- Capital Projects Funded by Internal Revenue;
- 2018/2019 Operating Expenditure Budget; and

- 2018/2019 Capital Budget Funded by both Municipal Infrastructure Grant (MIG) and Water Services Infrastructure Grant (WSIG).

Following which,

It was unanimously

RESOLVED:

- (a) That the report on the Ugu District Municipality: Draft Budget: 2018/2019 be and is hereby **NOTED**.
- (b) That the Draft Budget of the Ugu District Municipality for the financial year 2018/2019 be and is hereby **APPROVED** for Public Participation.

C 65/03/18

Ugu South Coast Tourism Entity: Draft Budget: 2018/2019

The General Manager: Treasury took members through the item.

Following which,

It was unanimously

RESOLVED:

- (a) That the report on the Ugu South Coast Tourism Entity: Draft Budget: 2018/2019 be and is hereby **NOTED**.
- (b) That the Ugu South Coast Tourism Entity: Draft Budget for the financial year 2018/2019 be and is hereby **APPROVED** for Public Participation.

C 66/03/18

Ugu South Coast Development Agency: Draft Budget: 2018/2019

The General Manager: Treasury took members through the item.

Following which,

It was unanimously

RESOLVED:

- (a) That the report on the Ugu South Coast Development Agency: Draft Budget: 2018/2019 be and is hereby **NOTED**.
- (b) That the Ugu South Coast Development Agency: Draft Budget for the financial year 2018/2019 be and is hereby **APPROVED** for Public Participation.

C 67/03/18 Draft Annual Report 2016/2017

The Senior Manager: Corporate Strategy and Shared Services introduced the item and thereafter the Chairperson of the Municipal Public Accounts Committee took members through the Oversight Report.

He highlighted the following aspects in the report namely:

- Introduction;
- Background;
- Functions of the Municipal Public Accounts Committee;
- Composition of the Municipal Public Accounts Committee (MPAC);
 - Membership;
 - Authority and Power; and
 - Meeting Schedule;
- Annual Report Checklist;
 - Financial Matters – Annual Financial Statements – Section 121 (3) MFMA;
 - Disclosures – Allocations received and made – Section 123-125 MFMA;
 - Municipal Performance (Section 46 of MSA);
 - General Information (Disclosure on Municipal Entities);
 - Public Consultation;
 - Guide and Comments from CoGTA and MPAC; and
 - Conclusion

Following which,

It was unanimously

RESOLVED:

- (a) That the 2016/17 Ugu District Municipality, Ugu South Coast Tourism Entity, and the Ugu South Coast Development Agency Draft Annual Reports be and are hereby **NOTED**.
- (b) That having fully considered the Annual Reports of the Ugu District Municipality and those of the Entities for the 2016/2017 Financial Year, the Oversight Report for the 2016/2017 Financial Year be and are hereby **ADOPTED**.
- (c) That the Annual Reports of the Ugu District Municipality and its Entities for the 2016/2017 Financial Year be and are hereby **APPROVED**.

- (d) That the 2016/2017 Ugu District Municipality, the Ugu South Coast Tourism Entity, and the Ugu South Coast Development Agency Draft Annual Reports be and are hereby **ADOPTED**.

C 68/03/18 Councillor's Pension Fund

The Speaker took members through the item.

She said that the objective of the report was to advise Council of the Councillor's Pension Fund meeting that was held on Wednesday, 14 March 2018 as per the resolution taken at the Council meeting held on 25 January 2018.

She mentioned that Councillors pointed out with concern that the Presentation was not a detailed one; the Presentation was just a general Presentation and that Councillors emphasised that the Presentation should entail what was currently happening and the Plans and Mechanisms in place.

She indicated that Councillors sought clarity as to what was the consequences for mismanagement for the Previous Boards and that Councillors could not get concrete information, Councillors then resolved that the Pension Fund should be dissolved, and that the monies should be paid back to the Councillors.

Cllr SR Ngcobo reported that he had consulted with the leadership of SALGA to call a joint meeting during the course of 03 April and 07 April 2018 so that the resolutions taken at the meeting held on 14 March 2018 could be presented to SALGA.

[At that stage of the proceeding (12h33), Cllr Hlengwa left the meeting].

The Speaker tasked the Municipal Manager to deal with the said issue.

Following which,

It was unanimously

RESOLVED:

- (a) That the report regarding the Councillor's Pension Fund be and is hereby **NOTED**.
- (b) That the Ugu District Municipal Council on behalf of its members of Council condemn in the strongest possible manner the present state of affairs of the Councillors Pension Fund.
- (c) That the Ugu District Municipality then calls on those that had a stake in the other spheres of government to ensure that the long-term retirement benefits for Councillors were protected.
- (d) That a letter be sent to SALGA KZN requesting for a meeting so all concerns from Councillors be addressed.

C 69/03/18 Ugu District Municipality Portfolio Committee

The Speaker presented to Council the members of the Ugu District Municipality Portfolio Committees.

Members appealed to the Speaker to ensure that the two vacant positions i.e. the Chairperson of the Portfolio Committee on Local Economic Development and the Chairperson of the Portfolio Committee on Special Programmes were filled as soon as possible.

Following which,

It was unanimously

RESOLVED:

- (a) That the report regarding the Ugu District Municipality Portfolio Committee be and is hereby **NOTED**.
- (b) That the Speaker be and is hereby tasked to ensure that the two vacant positions namely the Chairperson of the Portfolio Committee on Local Economic Development and the Chairperson of the Portfolio Committee on Special Programmes were filled as soon as possible.

C 70/03/18 Learning Visit to O.R. Tambo District Municipality

The Speaker took members through the item.

It was noted that the objective of the report was to inform Council on the learning visit to the O.R. Tambo District Municipality.

Following which,

It was unanimously

RESOLVED:

That the report regarding the Learning Visit to the O.R. Tambo District Municipality be and is hereby **NOTED**.

C 71/03/18 Schedule of IDP Budget Roadshow

The Speaker took members through the item.

Members requested that the Schedule of the IDP Budget Roadshow should be noted and that the Senior Manager: Mayoralty and Communications should engage with the Local Municipalities.

Following which,

It was unanimously

RESOLVED:

- (a) That the report regarding the Schedule of the IDP Budget Roadshow be and is hereby **NOTED**.
- (b) That the Senior Manager: Mayoralty and Communications be and is hereby tasked to engage with the Local Municipalities.

EXTRACTS FROM COMMITTEES

Extract from the meeting of the Executive Committee held on 21 February 2018

Music City

C 72/03/18

The Municipal Manager took members through the item.

He informed Council that the purpose of the report was to provide progress on the Music City Development.

He reminded members that Council in collaboration with Ray Nkonyeni Municipality granted the Tony Watkins Development Company from USA a lease on the "Harbour Site" which was jointly owned.

He said that the lease agreement set down a set of deliverables with timeframes.

He pointed out that from the discussions with the Office of the Premier, the Tony Watkins Development Company had advised that they were not intent on pursuing this project.

He said that it was then suggested that the lease agreement should be cancelled, and that other development proposals should be invited.

He mentioned that the item was discussed at the Executive Committee and that the matter was recommended to Council.

Following which,

It was unanimously

RESOLVED:

- (a) That the report regarding the Music City be and is hereby **NOTED**.
- (b) That the Lease Agreement on Lot 17133 – Airstrip Hibberdene with the Tony Watkins Development Company be and is hereby **CANCELLED** due to breach in terms of the contract.
- (c) That the Municipal Manager be and is hereby **AUTHORISED** to engage the stakeholders and role-players to explore further development proposals.

C 73/03/18 Monthly Budget Statements – November 2017

The General Manager: Treasury took members through the item.

Following which,

It was unanimously

RESOLVED:

- (a) That the Monthly Budget Statement for November 2017 be and is hereby **NOTED**.
- (b) That the Monthly Budget Statement for the month of November 2017 and the supporting documents be submitted to both Provincial and National Treasury in both electronic and hard copies.

**C 74/03/18 MINUTES FROM COMMITTEES
Minutes of the 20th Meeting of the Executive Committee held on
07 February 2018**

The Speaker took members through the minutes.

Following which,

It was unanimously

RESOLVED:

That the Confirmed Minutes of the 20th meeting of the Executive Committee held on 07 February 2018, be and are hereby **NOTED**.

**C 75/03/18 URGENT MATTERS
Draft IDP 2017/2018 Review**

The Senior Manager: Corporate Strategy and Shared Services took members through the item.

Following which,

It was unanimously

RESOLVED:

- (a) That the report regarding the Draft IDP 2017/2018 Review be and is hereby **NOTED**.
- (b) That the Draft IDP 2017/2018 Review be and is hereby **APPROVED** for Public Consultation.

C 76/03/18 Change of Signatories – Ugu District Municipality – Bank and Investment Accounts

The Municipal Manager took members through the item.

Following which,

It was unanimously

RESOLVED:

- (a) That the report on the Change of Signatories - Ugu District Municipality - Bank and Investment Accounts be and is hereby **NOTED**.
- (b) That the Council resolution taken on 26 June 2014 be and is hereby **RESCINDED**.
- (c) That the Bank signatories of the listed designations be and is hereby **APPROVED** as signatories to all Municipal Bank accounts:
 - Group A: - The Municipal Manager
The Chief Finance Officer
 - Group B - The General Manager: Corporate Services
The Manager: Cash Management
- (d) That one A and B signatory be and are hereby **AUTHORISED** to sign cheques; however, A signatories could sign cheques together.
- (e) That all Electronic Funds Transfers be and is hereby **AUTHORISED** by one A and one B signatory; however, both A signatories could authorise Electronic Transfers together.
- (f) That the Municipal Manager and the Chief Financial Officer be and are hereby granted **AUTHORITY** to sign all bank related correspondence and documentation for the opening and closing of bank accounts including investment accounts on behalf of Council.
- (g) That, it be noted that to comply with FICA regulations all signatories to supply the following information and documentation to the Bank:
 - Certified copy of identification documents; and
 - Copy of utility account in individual's names name providing physical address not older than 3 months.

C 77/03/18

2018 Easter Peak Season Plan: Inputs from Stakeholder Engagements

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

Following which,

It was unanimously

RESOLVED:

That the 2018 Easter Peak Season Plan: Inputs from Stakeholder Engagements be and is hereby **NOTED**.

IN-COMMITTEE MATTERS

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

C 78/03/18

In-Committee Minutes of the 18th Meeting of the Ugu District Municipal Council held on 22 February 2018

The Speaker took members through the confirmation of the minutes.

Following which,

RESOLVED:

That the In-Committee Minutes of the 18th Meeting of the Ugu District Municipal Council held on 22 February 2018 be and are hereby **CONFIRMED**.

C 79/03/18

Appointment of the General Manager: Corporate Services

The Municipal Manager took members through the item.

Following which,

It was unanimously

RESOLVED:

- (a) That the report regarding the Appointment of the General Manager: Corporate Services be and is hereby **NOTED**.
- (b) That the Municipal Manager be and is hereby tasked to write to the MEC requesting that the remuneration package for the General Manager: Corporate Services, Ms VP Tsako be placed at Mid-Point of R1 145 598.00.

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

C 80/03/18 DATE OF NEXT MEETING

It was noted that the date of the next meeting was scheduled for 26 April 2018.

C 81/03/18 CLOSURE

There being no further items for discussion, the Speaker declared the meeting closed at 13h15.

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