

UGU DISTRICT MUNICIPALITY

MINUTES OF THE 43RD MEETING OF THE UGU DISTRICT MUNICIPAL COUNCIL HELD VIA MICROSOFT TEAMS VIDEO CONFERENCING, ON WEDNESDAY, 30 SEPTEMBER 2020, AT 11H00.

PRESENT:

Cllr NH Gumede - Speaker

SR Ngcobo (Exco Member), PH Mthiyane (Exco Member), L Mzimela (Exco Member), AD Ngubo (Exco Member), LMR Ngcobo (Exco Member), NT Dlamini (Exco Member), SP Mthethwa (Exco Member), SN Caluza, TB Cele, NCP Mqwebu, TW Dube, S Chetty, K Dladla, Y Nair, NY Mweshe, JJ East, D Nciki, MPL Zungu, SH Cele, S Mngomezulu, H Mbatha, MA Manyoni, BE Machi, B Ntusi, SE Khawula, TA Disane, ZZ Msani, A Rajaram, and PT Naude.

BY INVITATION:

Inkosi MP Ngcobo
Inkosi EZ Mkhize
Inkosi BS Nzimakwe
Inkosi ZGB Msomi
Inkosi ZR Qwabe
Inkosi EZ Jali
Inkosi B Cele
Ms S Govender

- Department of Co-operative Governance
And Traditional Affairs (CoGTA)
Mr S Sithole - Technical Advisor: Department of
Co-operative Governance and Traditional
Affairs (CoGTA)

IN ATTENDANCE:

Mr DD Naidoo - Municipal Manager
Mr VO Mazibuko - General Manager: Corporate Services
Mr S Mbewu - General Manager: Water Services
Ms L Sotshede - Acting General Manager: Budget and
Treasury Office
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 Msomi - Manager: Policy and Research
Mr S Kati - Manager: Risk and Internal Audit
Ms N Surajbally - Administrative Officer: Secretariat Unit
Ms T Kikine - Committee Clerk: Secretariat Unit

OPENING

The Speaker welcomed all to the meeting. She then requested Cllr Nciki to lead the meeting in prayer.

C 236/09/20 NOTICE OF MEETING

The notice of the meeting was taken as read.

C 237/09/20 APPLICATIONS FOR LEAVE OF ABSENCE

It was noted that Cllr GD Henderson (*personal commitment*) had requested leave of absence from the meeting.

It was also noted that Cllrs SH Cele and DDM Hlengwa had to attend their scheduled Council Meeting at Umdoni Municipality.

It was also noted that Cllr BE Machi would join the meeting late due to network challenges.

Following which,

It was unanimously

RESOLVED:

- (a) That Cllr GD Henderson (*personal commitment*) be and is hereby granted leave of absence from the meeting.
- (b) That the apology received on behalf of Cllr BE Machi to join the meeting late due to network challenges be and is hereby **GRANTED**.
- (c) That, it be noted that Cllrs SH Cele and DDM Hlengwa had to attend their scheduled Council Meeting at Umdoni Municipality.

C 238/09/20 DECLARATION OF INTEREST

It was noted that there were none.

C239/09/20 CONFIRMATION OF AGENDA

The Speaker took members through the confirmation of the agenda.

The Municipal Manager apprised members that the Joint meeting of the Executive Committee and the Portfolio Committee on Finance was held on 29 September 2020, whereby it was resolved that the Mayor was tasked to meet with the Senior Management to deal with certain issues that were raised by

members of the Executive Committee and the Portfolio Committee on Finance. He then apologised for not circulating the Budget Adjustment 2020/2021, on time to all members.

He also advised members that there was an In-Committee Matter on the agenda, which was scheduled for a specific time. He then suggested that when the presenters had joined the meeting, the Speaker should then move In-Committee and allow the Presenters to take members through the In-Committee item.

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 item:

- Item 10.1 Adjustment Budget 2020/2021 under Matters for Discussion.

CONFIRMATION OF MINUTES

C240/09/20

Minutes of the 42nd Meeting of the Ugu District Municipal Council held on 27 August 2020

The Speaker took members through the confirmation of the minutes for the meeting held on 27 August 2020.

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

Following which,

It was

RESOLVED:

That the Minutes of the 42nd Meeting of the Ugu District Municipal Council held on 27 August 2020, be and are hereby **CONFIRMED**.

RESOLUTION REGISTER

C241/09/20

Resolution Register for the 42nd Meeting of the Ugu District Municipal Council held on 27 August 2020

The Speaker took members through the Resolution Register for the 42nd meeting of the Ugu District Municipal Council held on 27 August 2020.

Following which,

It was unanimously

RESOLVED:

That the Resolution Register for the 42nd Meeting of the Ugu District Municipal Council held on 27 August 2020, be and is hereby **NOTED**.

C 242/09/20 OUTSTANDING MATTERS

It was noted that there were none.

STANDING ITEMS

C 243/08/20 SALGA Monthly Report to Members as of 10 September 2020

The Municipal Manager took members through the SALGA Monthly Report as at 10 September 2020.

He informed members that the report entailed the following:

- SALGA KZN Membership Levies: Early Settlement Discount;
- Performance Agreement;
- Planning Law Conference 2020;
- Job Evaluation Payments;
- Labour Relations Webinar: 8-9 September 2020;
- Municipal Land Use Schemes;
- Finance Winter School;
- SALGA Provincial Executive Committee (PEC) Decision to Suspend the SALGA KZN DSR Games 2020; and
- Upcoming Events

He referred members to the table reflecting the Municipalities that were not In-Good Standing for the 2019/2020, financial year and pointed out that Ugu District Municipality was owing R4,244.370.00. He mentioned that the Municipality had an arrangement with SALGA to pay the outstanding balance in three (3) instalments and that the first payment of R1.5 million was paid on 11 September 2020.

Cllr Rajaram enquired whether SALGA could consider the option of allowing municipalities to pay monthly for the SALGA KZN Membership Levies; especially those Municipalities that were experiencing cashflow challenges.

Responding, the Mayor explained to members that the issue of making payment plans with SALGA was the responsibility of each municipality. He mentioned that SALGA had an arrangement in place that if a Municipality paid for the SALGA KZN Membership Levies Contributions earlier, then the said Municipalities would get a discount.

The Municipal Manager confirmed that the Municipality had already communicated with SALGA in terms of putting a payment plan in place. He assured members that the suggestion from Cllr Rajaram would also be considered.

Following which,

It was unanimously

RESOLVED:

(a) That the SALGA Monthly Report as at 10 September 2020, be and is hereby **NOTED**.

(b) That it be noted that the Municipality had already communicated with SALGA in terms of putting a payment plan in place.

C 244/09/20

Monthly Birthday Greetings: Councillors, Amakhosi and Senior Managers

The Speaker conveyed birthday wishes on behalf of Council to the Councillors, Amakhosi and Senior Management who celebrated their birthdays during the month of September.

Following which,

It was unanimously

RESOLVED:

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

C 245/09/20

Water Supply Challenges

The General Manager: Water Services took members through the current water supply challenges that were experienced in the areas within the Ugu District. He pointed out that the report also indicated all the affected communities including the Long-Term Project Plans that were put in place to eradicate the water supply shortage to all the urban and rural areas.

In terms of the Area South West, he reported with concern that the Harding Dam was very low, and that water could not be extracted to supply the areas in Ward 3 and the Harding Town, which then resulted in the use of water tankers as a remedial measure.

Regarding the Ray Nkonyeni, he advised members that most of the challenges that were being experienced were from the aging infrastructure operational issues which were mainly burst pipes from Uvongo, Ramsgate and also in the Northern System, from Mellville to the Hibberdene areas.

With reference to the Area North, he mentioned that there were issues that were reported relating to the Mhlabatshane Water Works which was as a result of the low dam levels that were below the 50% reading and that same had affected the production negatively from 7ml to 5ml per day.

In terms of the KwaHlongwa Water Supply System, he advised members that there were issues that were raised in terms of the said system which were as a result of illegal water connections.

He advised members that a report was recently received relating to the acts of vandalism at the Esperanza Water Supply System. He reported that the Auxiliary Services had made provision for security personnel at the said water scheme.

Cllr Rajaram raised a concern on the issue of the water tankers that have been parked off for several months at the workshop for repairs, whilst the Municipality was currently using the hired water tankers to supply water. He then enquired what the Drivers of the parked water tankers were doing whilst their trucks were not operational. He further proposed that a detailed report relating to the water tankers that have been parked off at the workshop for repairs and those that were operational, be submitted to the next meeting and was seconded by Cllr Ngcobo.

Cllr Dladla requested an update on the Murchison Reservoir given that there were challenges that were persisting.

The General Manager: Water Services confirmed that there were challenges with the Murchison Reservoir. He reported that for the past two weeks, the Municipality was currently in the process of filling up the said reservoir to achieve at least 50% of the water levels in order to be able to open the stand pipes, which was work in progress.

The Mayor requested that the Leadership should visit the Murchison Reservoir led by the Chairperson of the Portfolio Committee on Water and Sanitation and was seconded by the Deputy Mayor.

The General Manager: Corporate Services advised members that the service providers were prolonging the process of fixing the municipal vehicles because of the current financial situation of the Municipality. He confirmed that there was progress made in terms of paying the said service providers.

He further assured members that a detailed report relating to the water tankers that have been parked off at the workshop for repairs and those that were operational would be submitted to the next meeting. He also advised members that the Drivers of the water tankers that have been sent for repairs were then given other duties to execute within the Department.

Following discussion,

It was unanimously

RESOLVED:

- (a) That the report on the Water Supply Challenges be and is hereby **NOTED**.
- (b) That a detailed report relating to the water tankers that have been parked off at the Workshop for repairs and those that were operational be submitted to the next meeting.
- (c) That a visit be scheduled for the Leadership to visit the Murchison Reservoir led by the Chairperson of the Portfolio Committee on Water and Sanitation.

C 246/09/20 SECTION 79 REPORTS

It was noted that there were none.

MATTERS FOR DISCUSSION

C 247/09/20 Adjustment Budget 2020/2021

The Mayor took members through the item.

He reminded Council that on 28 May 2020, the Municipality had passed the budget which was unfunded due to the outstanding creditors for the past two years which amounted to more than R5 million.

He mentioned that correspondence was received from the Provincial and National Government indicating that the budget was unfunded and further assured the Municipality that both the said Departments would be assisting the Municipality to address the issues of concern.

He confirmed that a lot of work was done by the officials with the assistance from the National and Provincial Government in terms of ensuring that the Municipality presented a budget that was funded.

He mentioned that at the Joint Meeting of the Executive Committee and the Portfolio Committee on Finance held on 29 September 2020, the said meeting had tasked the Mayor to meet with the Senior Management to attend to the issues that were sharply raised, which was done on the evening of 29 September 2020.

He pointed out that the Provincial Government had raised the issue of additional funding that was received by the Municipality to deal with the issue of the unfunded budget.

He reported that there were reductions that were made on the budget which were not directed to the core function of the Municipality with the aim to focus more on issues of water and sanitation.

He apprised members of the Oslo Beach Building Project which was allocated a budget of R20 million and that from the said budget, an amount of R3 million would be used to fix the leaks on the roof of the Oslo Beach Building. He mentioned that

there was a further reduction that was made to the said project for R7 million, meaning that the said project now had a total budget of R10 million.

He also highlighted the following reductions that were affected on the budget, namely:

- Laptops - a reduction of R200 000.00;
- Office of the Municipal Manager - a reduction of R183 000.00.
- Capacity Support (EDES) - a reduction of R100 000.00;
- Sport Development - a reduction of R1,000 000.00, given that there were no SALGA Games for 2020;
- Youth Office - A reduction of R400 000.00; and
- Golden Games - A reduction of R100 000.00.

He pointed out that the abovementioned reductions amounted to a total of R8.8 million, which would be used to procure more water tankers.

In terms of the 58 million, he advised members that the said funds would be moved because some of the projects were not COVID-19 related. With regards to the R5 million that was budgeted for the Fleet, he pointed out that the funds that the Municipality would be receiving from the public auction would be used to procure new vehicles.

Adding, the Municipal Manager pointed out that the primary objective of the adjustment budget was to cover the new allocations that were made to the municipality including removing those that were said to be removed from the budget. He mentioned that because the budget was unfunded, there was a need for same to be funded and furthermore the Municipality had to put in place a funding plan outlining how the Municipality intended to deal with the outstanding creditors.

In terms of the Total Income, he advised members that the Municipality had budgeted an Annual budget of R1,377,709,910.85 and had adjusted the budget by R58,111,000.00 and that the Adjusted budget for 2020/21 was R1,435,820,910.85.

On the Total Expenditure, he mentioned that the Municipality had a budget of R1,500,320,055.74 and had adjusted the budget by R68,535,669.09 and that the Total Adjusted budget for 2020/21 was R1,431,784,387.88, which then resulted in a surplus of R4,036,522.96.

He shared with members that out of the additional Equitable Share of R58 million that was received, the Municipality had spent R11.3 million on the COVID-19 Expenditure to procure the following and that the balance was used to ensure that the budget was funded:

- Laptops;
- Water Tankers; and
- Personal Protective Equipment (PPE).

He referred members to page two (2) of the report and highlighted the summary of the Special Adjustments Budget for 2020/2021 on each line item. He also pointed out that the expenditure would be based on the cashflow and not on the budget.

On the issue of the additional equitable share of R58 million relating to COVID-19, Cllr Khawula requested that the budget of R8 million that would be used to procure the water tankers should also be used to address the issue of the illegal water connections.

Cllr East stressed concern on the budget and pointed out that the Municipality would be collecting part of the R6 million for more than a year, and that the second part, the Municipality would be collecting 100% of the same amount worth of income that would be invoiced in the coming year, which was the R592 million.

He reminded members that last year, the Municipality failed to collect at least R38 million to 40 million a month, which was equivalent to R280 million a year. He also pointed out that even if the said figure was increased by 5% as per the price increases, the Municipality would be able to collect a maximum amount of R500 million, and that the said figure would still have a shortfall of R1,000,000.00. He pointed out that the option of selling vehicles, access plants and equipment through a public auction would not be enough. He further enquired if the Municipality would be able to manage the said budget for the next eleven (11) months.

On the issue of illegal connections, the Mayor advised that the community meetings should be held regularly to sensitize the communities in the Ugu District on the negative affect of illegal water connections. He then suggested that a programme relating to the said visitations should be put in place.

The Deputy Mayor welcomed the presentation from the Mayor and applauded the Mayor for meeting with Management after hours to address the issues that were raised by members of the Executive Committee and the Portfolio Committee on Finance. She proposed for the adoption of the Adjustment Budget for the 2020/2021 financial year and was seconded by Cllr AD Ngubo.

Following which,

It was

RESOLVED:

- (a) That the report on the Adjustment Budget 2020/2021 be and is hereby **NOTED**.
- (b) That the Adjustment Budget 2020/2021, the District Municipality Financial Recovery Plan and the Budget Funding Plan 2020/2021 be and is hereby **APPROVED**.
- (c) That the budget of R8.8 million that was set aside to procure the water tankers be also used to address the issue of the illegal water connections.

C 248/09/20 Notice of Motion from Cllr J East

Cllr East presented to members a Notice of Motion dated 09 September 2020, which was submitted by himself and seconded by Cllr G Henderson. He also highlighted the proposal reflected on the said motion.

He then requested that Cllr Rajaram should second his motion, which was done accordingly.

Cllr Nair pointed out that the same issues that were listed in the motion were the same issues that the Portfolio Committee on Finance had raised as a matter of concern, especially the issue of the billing system.

The Deputy Mayor requested that members should give the Portfolio Committee on Finance an opportunity to deal with the issue of the billing system.

The Mayor confirmed that the Portfolio Committee on Finance was currently dealing with the issue of the billing system. He assured members that after the said matter was concluded, a report would be submitted to the Executive Committee for onward submission to Council.

Cllr Khawula pointed out that if the seconder of the motion was not present at the meeting, then the said motion should not be considered according to the Standing Rules and Order of Council. He then requested the Speaker to advise on same.

Cllr East responded by advising members that the motion was submitted on time for the date of the scheduled meeting, which was postponed from 23 September 2020, to 30 September 2020. He mentioned that his seconder, Cllr GD Henderson was available for the scheduled meeting.

The Municipal Manager confirmed that all due processes in terms of the submission of motion were followed accordingly. He advised members that the said matter was referred to the Portfolio Committee on Finance and that after the said Committee had dealt with the issue of the billing system, a report would be submitted to the Executive Committee for onward submission to Council.

Cllr East referred members to page 51 of the report and rejected resolution 7.2 on the report given that same was not in the motion.

The Deputy Mayor moved for the acceptance of the recommendations on the report was seconded by Cllr Nair.

Following which,

It was

RESOLVED:

- (a) That the Notice of Motion as submitted by Cllr J East be and is hereby **NOTED**.
- (b) That the said matter be referred to the Portfolio Committee on Finance for further discussion.

EXTRACTS FROM COMMITTEES

Extracts from the meeting of the Executive Committee held on 16 September 2020

Report on the 2021/2022 Integrated Development Process Plan and the Terms of Reference for the IDP Steering Committee

The Municipal Manager took members through the item.

Following which,

It was unanimously

RESOLVED:

- (a) That the report on the 2021/2022 Integrated Development Process Plan and the Terms of Reference for the IDP Steering Committee be and is hereby **NOTED**.
- (b) That the 2021/2022 Integrated Development Process Plan be and is hereby **APPROVED**.
- (c) That the Terms of Reference for the Ugu District Municipality IDP Steering Committee be and is hereby **APPROVED**.

Monthly Budget Statement – July 2020

The Municipal Manager took members through the item.

Following which,

It was unanimously

RESOLVED:

- (a) That the report on the Monthly Budget Statement for the month of July 2020 and the supporting documents as presented be and is hereby **NOTED**.

- (b) That the Monthly Budget Statement for the month of July 2020 and the supporting documents be submitted to both Provincial and National Treasury in both electronic and hard copies.

C 251/09/20 Progress Report on mSCOA Project Implementation

The Municipal Manager took members through the item.

Following which,

It was unanimously

RESOLVED:

That the progress report on the mSCOA Project Implementation be and is hereby **NOTED**.

C 252/09/20 Deviations and Irregular Expenditure 2020/21 Financial Year

The Municipal Manager took members through the item.

Following which,

It was

RESOLVED:

- (a) That the report on the Deviations and Irregular Expenditure 2020/21 Financial Year be and is hereby **NOTED**.
- (b) That the amount of R2 260,527.00 for the 2020/21 Financial Year be and is hereby **NOTED**.

C 253/09/20 Ugu WSIG Application 2021/22

The Municipal Manager took members through the item.

Following which,

It was unanimously

RESOLVED:

That the report on the Ugu WSIG Application 2021/22 be and is hereby **NOTED**.

MINUTES FROM COMMITTEES

C 254/09/20 Minutes of the 53rd Meeting of the Executive Committee held on 19 August 2020

The Speaker took members through the minutes of the 53rd Meeting of the

Executive Committee held on 19 August 2020.

Following which,

It was unanimously

RESOLVED:

That the Confirmed Minutes of the 53rd Meeting of the Executive Committee held on 19 August 2020 be and are hereby **NOTED**.

C 255/09/20 URGENT MATTERS

It was noted that there were none.

C 256/09/20 IN COMMITTEE MATTERS

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

C 257/09/20 In-Committee Minutes of the 42nd meeting of the Ugu District Municipal Council held on 27 August 2020

The Speaker took members through the In-Committee Minutes of the 42nd meeting of the Ugu District Municipal Council held on 27 August 2020.

Following which,

It was

RESOLVED:

That the In-Committee Minutes of the 42nd Meeting of the Ugu District Municipal Council held on 27 August 2020 be and are hereby **CONFIRMED**.

C258/09/20 Presentation of Section 106 Investigation Report

The Speaker introduced Ms S Govender from CoGTA to the meeting and mentioned that she would be presenting the Section 106 Investigation report to Council.

Following which,

It was unanimously

RESOLVED:

- (a) That the presentation of the Section 106 Investigation Report be and is hereby **NOTED**.

- (b) That, it be noted that the Ugu District Municipal Council was given a period of twenty one (21) days to meet and deal with the specific details contained in the report and thereafter report to the MEC for CoGTA on the remedial actions.
- (c) That the copies of the Section 106 Investigation Report be given only to the Caucus Chairpersons immediately after the Council meeting.

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

C259/09/20

DATE OF NEXT MEETING

It was noted that the date of the next meeting was scheduled for 29 October 2020.

C 260/09/20

CLOSURE

There being no further items for discussion, the Speaker declared the meeting closed at 14h29.

CHAIRPERSON: -----

DATE: -----