MINUTES OF A SPECIAL COUNCIL MEETING OF THE KOUGA MUNICIPALITY HELD AT THE ST FRANCIS LINKS (ST FRANCIS BAY) ON TUESDAY, 10 FEBRUARY 2015 AT 08:00

PRESENT:

Councillors	M Dlomo	(Speaker)
	B Koerat	(Executive Mayor)
	VS Stuurman	
	VA Camealio-Benjamin	
	A Maseti	
	P Kota	
	PJ Oliphant	
	X Persent	
	VN Matlodlana	
	TN Meleni	
	ME Mahlantini	
	BC Koliti	
	ED Hill	
	D Kettledas	
	J Cawood	
	BF Rheeder	
	NS Botha	
	M Ungerer	
	F Baxter	
	D Benson	
	D Petersen	
	FJ Campher	
	B Williams	
	DE Aldendorff	
	J Prinsloo	
	H Thiart	
Officials	SS Fadi	(Municipal Manager)
	T Tom	(Dir: Administration, Monitoring & Eval.)
	C Arends	(Dir: LED, Tourism & Creative Industries)
	E Oosthuizen	(Act Dir: Infrastructure, Planning & Dev.)
	S Abrahams	(Acting CFO)
	N Machelezi	(Act. Dir: Social Services)
	LL Randall	(Media Liaison Officer)
	P Krügel	(Snr. Admin Officer – Scribe)

Members of the public.

1. NOTICE OF MEETING

The Speaker requested the Municipal Manager to read the notice convening the meeting.

2. OPENING AND WELCOME

The Speaker welcomed everybody to the meeting and requested Councillor A. Maseti to open the proceedings with a prayer.

3. APOLOGIES / LEAVE FROM FUTURE MEETINGS

3.1	Clr J Joy	-	Written apology
3.2	Clr Z Mayoni		
3.3	Clr. MT Speelman		

4. REPORTS BY THE EXECUTIVE MAYOR

4.1 FINANCE, ADMINISTRATION, MONITORING & EVALUATION

15/01/F2 REVISED MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) – BUDGET FOR THE FINANCIAL YEARS 2014/15 TO 2016/17

After it was clarified which items were going to be tabled, Councillors had the opportunity to make inputs on the items.

Councillor N. Botha said that there were two things that had to be done in order for books to be balanced, which was to cut expenses or to increase income.

Councillor N. Botha raised the following concerns:

- Two things required to balance books, i.e. to cut expenses or to increase income.
- Adjustment Budget reflects an adjusted income of R 621.907million which is only R 3 million more than the original figure. – which is less than 0.5% increase - very good.
- Huge part of the total revenue is from service charges, almost R 360 million. - concern is that the YTD income is 26% lower than budgeted for - doubt whether the target will be reached – over-estimated Revenue.
- EMF Revenue also increased by 7.5% - no evidence that it is ring-fenced as it should be.(R 13.602 to R 14.709 million)
- Expenditure:

- The Council budgeted for a expenditure of R 696.535 million which is now adjusted to R 697.644million, that is an increase of less than 0.2% - excellent, but with the following concerns:
    - Employee costs once again a huge part of the total expenditure, - R 201.450 budgeted.
    - Cannot trace the R 4 million saving on overtime which was approved by the Council in December 2014. Also not reflected as projects where only internally funded.
    - R 1.73 internally funded.(p 64).
    - Purchases of bulk services underestimated.
- The difference between the Revenue and Expenditure is R 75.737 million - a deficit - to be careful that it is not much bigger by the end of the financial year.

Councillor P. Oliphant was of the opinion that in order to have a far better budget, an implementable program be drafted on the cut of municipal services that will be applicable to all areas of Kouga.

Councillor V. Camealio-Benjamin requested a caucus at 09:05 and the meeting reconvened at 09:10.

The house was requested to respect each other and not to interrupt one another whilst speaking.

The Speaker said that all items tabled under the Finance Directorate, was related to the Adjustment Budget.

Councillor P. Oliphant said that a far bigger budget will be approved at the end of June 2015. He said that when a person does not pay his/her services accounts, the municipal services have to be cut and a pre-paid meter has to be installed.

Councillor P. Oliphant emphasized the importance of municipal buildings and assets to be safe guarded. He informed the Council of an incident where children were caught swimming in a water reservoir of the Council. He proposed that security guards be appointed to protect the assets of the Council.

Councillor D. Benson requested a caucus at 09:25 and the meeting reconvened at 09:35.

Councillor C. Cawood requested that the 3 items tabled to the Council must be discussed on its own.

The Speaker said that a debate on all three items have already commenced. She said that over-expenditure is increasing daily and that the municipality strive to have a clean audit. She then said that all items will be discussed.

Councillor N. Botha requested that it be put on record that he was in support of the tabled 2014/15 to 2016/17Adjustment Budget but not of the other two items.

Councillor V. Stuurman said that if Councillor N. Botha proposed the approval of the 2014/15 to 2016/17 Adjustment, he seconded it.

Resolved: (10 February 2015)

i) That the Council of Kouga Local Municipality, hereby acting in terms of section 28 of the Municipal Finance Management Act, (Act 56 of 2003) and section 23 of the MBRR hereby approves and adopts:

a) The Revised Annual Budget of the Kouga Municipality for the financial year 2014/15as set out in the following adjustments budget tables:

1) Table B1 Adjustments Budget Summary;
2) Table B2 Adjustments Budget Financial Performance (standard classification);
3) Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote);
4) Table B4 Adjustments Financial Performance (revenue
5) and expenditure);
6) Table B5 Adjustments Capital Expenditure Budget by vote and funding;
7) Table B6 Adjustments Budget Financial Position;
8) Table B7 Adjustments Budget Cash Flows;
9) Table B8 Cash backed reserves/accumulated surplus reconciliation;
10) Table B9 Asset Management; and
11) Table B10 Basic service delivery measurement.

b) That provision be made for the placement of Security Guards at all Municipal buildings and assets.

15/02/F3 ACTIONS TO BE TAKEN BY MAYORAL COMMITTEE FOR UNAUTHORIZED EXPENDITURE UP TO 30 JUNE 2014

Item 15/02/F3 (Unauthorized Expenditure) and item 15/02/F4 on Irregular, Fruitless and Wasteful Expenditure up to 30 June 2014 was discussed in conjunction with each other.

Councillor N. Botha said that according to the Act, a full report has to be tabled on all unauthorized expenditure and that somebody must be held accountable and explain why it has to be written off.

He enquired whether the write-offs were applicable to the previous financial year or previous financial years and from previous Councils.

Councillor N. Botha quoted from Section 32 of the MFMA, which reads as follows:

(2) A municipality must recover unauthorised, irregular or fruitless and wasteful
expenditure from the person liable for that expenditure unless the expenditure—
(a) in the case of unauthorised expenditure, is—
(i) authorised in an adjustments budget; or
(ii) certified by the municipal council, after investigation by a council committee, as irrecoverable and written off by the council; and

(b) in the case of irregular or fruitless and wasteful expenditure, is, after investigation by a council committee, certified by the council as irrecoverable and written off by the council'.

Councillor N. Botha said that a report on previous years and other years has to be tabled to the Council prior first and then again in order for it to be written off.

The Speaker said that on approval of the write-offs by the Council, it has to be submitted to the National Treasury.

Councillor B. Rheeder said that the Council are overseers of the finances of the municipality and said that he cannot support the write-offs of millions of rands.

He proposed that a full report be tabled to the Council on who was to be held responsible and what was done to recover the monies.

Councillor D. Petersen said that the Council has to be guided by Section 32 of the MFMA. He reiterated the comments of Councillors N. Botha and B. Rheeder.

Councillor V. Stuurman said that the items on the write-off of irregular, fruitless and wasteful expenditure were being tabled to the Council as a report and that the items were self-explanatory.

Councillor V. Stuurman said that provision must be made in the Operational Expenditure to ensure that resources and assets of the municipality are protected.

Councillor V. Stuurman then proposed that items 15/02/F3 and 15/02/F4 be approved. *(Proposal 1)*

In seconding Councillor Stuurman's proposal, Councillor V. Camealio-Benjamin said that the monies was utilized for services rendered in Kouga and that it must be addressed and rectified.

Councillor N. Botha formally proposed that items 15/02/F2 and 15/02/F3 be referred back in order for the Municipal Manager to obtain legal opinion and to table comprehensive reports to the Council. *(Proposal 2)*

Councillor B. Rheeder seconded Councillor N. Botha's proposal.

The Speaker said that the entire Council want action to take place. She said that as custodians of the finances of the municipality, the Municipal Manager, the Executive Mayor and the CFO, a comprehensive report has to be submitted to National Treasury and the MEC. She said that a process need to be followed in order for the municipality to obtain a clean audit.

The matter was put to the vote.

Proposal 1

In favour of	-	14
Against	-	12

Proposal 2

In favour of	-	12
Against	-	14

Proposal 1 was sustained.

The following Councillors requested that their vote against the approval of Unauthorized (as reflected in item 15/02/F2) and Irregular, Wasteful and Fruitless Expenditure (as reflected in item 15/02/F3) be minuted.

Councillor N Botha
Councillor J Cawood
Councillor BF Rheeder
Councillor M Ungerer
Councillor F Baxter
Councillor D Benson
Councillor D Petersen
Councillor FJ Campher
Councillor B Williams
Councillor DE Aldendorff
Councillor J Prinsloo
Councillor H Thiart.

Resolved: (10 February 2015)

i) That the Special Adjustments Budget for the 2009/2010, 2010/2011, 2011/2012, 2012/2013 and 2013/2014 financial years to authorize unauthorized expenditure in terms of Section 32(2) (a) (i) of the MFMA be approved.

15/02/F4 **ACTIONS TO BE TAKEN BY MAYORAL COMMITTEE FOR IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE UP TO 30 JUNE 2014**

The following Councillors requested that their vote against the approval of Unauthorized (as reflected in item 15/02/F2) and Irregular, Fruitless and Wasteful Expenditure (as reflected in item 15/02/F3) be minuted.

Councillor N Botha
Councillor J Cawood
Councillor BF Rheeder
Councillor M Ungerer
Councillor F Baxter
Councillor D Benson
Councillor D Petersen
Councillor FJ Campher
Councillor B Williams
Councillor DE Aldendorff
Councillor J Prinsloo
Councillor H Thiart.

Resolved: (10 February 2015)

i) That the irregular, fruitless and wasteful expenditure be condoned.

ii) That the Accounting Officer records the irregular, fruitless and wasteful expenditure on a register regarding unauthorized, irregular, fruitless and wasteful expenditure as envisaged by Circular 68 issued by National Treasury.

4.2 **INFRASTRUCTURE, PLANNING & DEVELOPMENT**

15/02/IPD1 **AMENDED HOUSING LAYOUT – ERVEN 17, 245 & 250, HANKEY (HANKEY 990 PROJECT)**

Resolved: (10 February 2015)

i) That the previous layout plan as prepared by Metroplan be with-drawn.

ii) That the revised layout plan 6005_Han-1 revision 1 as prepared by Metroplan be approved.

15/02/IPD2 **<u>APPLICATION FOR THE REZONING OF ERF 353, HUMANSDORP</u> (HD1/353)**

Resolved: (10 February 2015)

i) That the application for the rezoning of Erf 353, Humansdorp, in terms of Section 17 from "Authority" to "Business I" be approved in terms of Section 16 of the Land Use Planning Ordinance, Ordinance 15 of 1985.

ii) That the application as mentioned in paragraph (i) above be approved subject to the following Section 42 conditions:

a) That a detailed Site Development Plan indicating all structures, entrances, parking, services and a Services Agreement containing an engineering report regarding the requirements for the provision of water, sewerage, electricity and storm water as well as the Bulk Services Fee payable thereon be submitted to Council for approval.

b) That the Section 8 Zoning Scheme Regulations be applicable.

c) That the developer enters into a Service Level Agreement with the Council.

d) That no building plans for the proposed development be submitted prior to:

- The Site Development Plan being approved by the Council.
- The Service Level Agreement having been entered into and signed by the developer and the Municipality and approved by the Council.
- All fees with regard to internal and bulk services as contained in the Service Level Agreement having been paid in full at submission of building plans in accordance with the financial budget of the year in which it is paid.

e) That the developer of the erf erects a 2m high boundary wall along all boundaries abutting another zone.

f) That all engineering services comply with the requirements of the Council.

g) That the developer be responsible for the installation of electrical services according to the standard guidelines for electrification of townships, as approved by the Council.

h) That the developer provides proper storm water drainage to comply with the requirements of the Council.

i) That the developer be responsible for all cost (that may escalate) in respect of services, services connections and augmentation / services contribution fees as determined by the Council.

j) That the various rates and levies be paid by the developer in future, as determined by the Council in terms of relevant legislation and policies.

k) That in the event of the Council requiring an electrical or any other services servitudes, the developer will accede to the registration of such servitude without compensation.

l) That the development complies with the requirements of the National Environmental Management Act.

m) That the developer adheres to the all formal legal procedures and conditions as stipulated in any National, Provincial or Local legislation and / or by-laws.

n) That the rezoning shall lapse if the land concerned is not, within a period of two years after the date on which the application for rezoning was granted, utilized as permitted in terms of the zoning granted by the said rezoning.

The meeting terminated at 10:10.

SPEAKER **DATE**
COUNCILLOR M. DLOMO