

**MINUTES OF A SPECIAL COUNCIL MEETING OF THE KOUGA MUNICIPALITY HELD AT
THE KOUGA COUNCIL CHAMBER (JEFFREYS BAY UNIT) ON
WEDNESDAY, 23 MAY 2018 AT 09:09**

PRESENT: Councillors

H Hendricks	(Executive Mayor)
H Bornman	(Speaker)
B Williams	
D Benson	
F Baxter	
FJ Campher	
BF Rheeder	(Alderman)
DM Nkomo	
L Vorster	
FJ Louw	
B Carstens	
B Dhludhlu	
WPD Gertenbach	
W Coenraad	
M Dayimani	
TN Meleni	
P Nkwalase	
S Jujwana	
M Peters	
C Mandeka	
C Matroos	
E Februarie	
V Vumazonke	

Officials & Municipal Manager

C du Plessis	(Municipal Manager)
S Thys	(CFO)
K Moodley	(Director: Corporate Services)
N Machelesi	(Director: Community Services)
F Mabusela	(Director: Planning, Dev & Tourism)
L Opperman	(Manager: Legal Services)
D de Jager	(Manager: Human Resources)
L Randall	(Media Liaison Officer)
L Makupula	(Committee Services)
B Klopper	(Committee Services - Scribe)

1. **NOTICE OF MEETING**

The Speaker read the notice convening the meeting.

2. **OPENING AND WELCOME**

The Speaker welcomed all Councillors and officials and asked Cllr Coenraad to open the proceedings with prayer.



3. **LEAVE OF ABSENCE**

Cllr A Mabukane	-	With Leave of absence
Cllr NS Botha	-	With Leave of absence
Cllr Z Mayoni	-	Without Leave of absence
Cllr V Camealio-Benjamin	-	With Leave of absence
Cllr D Biggs	-	With Leave of absence

4. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**

Condolences to Cllr N Botha whose brother had passed away
Condolences to Mr Ferreira whose wife had passed away.

Birthday wishes to:-

Cllr D Biggs
Cllr W Coenraad

5. **MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR**

(The reports by the Executive Mayor, in terms of the provisions of Section 63 of the Local Government Municipal Systems Act, 32 of 2000, on matters dealt with by the Executive Mayor in terms of delegated authority as detailed in the Minutes to be noted).

Cllr Dayimani requested to register his dissatisfaction in terms of convening a Special Council meeting as there was only 1 item which appeared on the agenda and is not regarded as an urgent item and was of the opinion that the item could have been tabled at the Ordinary Council meeting.

The Speaker advised that the item is regarded as an urgent matter due to budgetary issues which needs to be included in the budget to be approved at the Ordinary Council meeting to be held on 31 May 2018.

6. **CORPORATE SERVICES**

18/05/CORP1

APPLICATION FOR THE ESTABLISHMENT OF A SPECIAL RATINGS AREA (SRA), ST FRANCIS BAY

Cllr Williams presented the item and advised that the Public Participation Process had taken place as prescribed by the Policy and By-law adopted by Council in December 2017 which was transparent and evaluated by the Appointed Attorneys.

Cllr Dayimani raised a matter of concern in terms of that the item did not contain any comment from the CFO or Municipal Manager addressing any financial implications. Cllr Dayimani was of the opinion that the PPP was done in December 2017 over a holiday period which meant that some residents may have been on holiday and did not partake in the PPP. It was also felt



that before embarking on the establishment of the SRA, the Coastal Management Plan must be adopted involving DEDEAT and PPP.

Alderman Rheeder advised that several PPP had taken place over a period to ensure that all residents had the opportunity to partake in the process. Alderman Rheeder also advised that a meeting regarding the Coastal Management Plan which was facilitated by the SBDM was held on 22 May 2018. SBDM will commence with the process to get the CMP revised and in place for adoption Council.

The Coastal Management Plan which was adopted by the previous Council was a framework and was paid by an independent party resulting in no financial implications to the Municipality. The SRA is only applicable for a demarcated area in St Francis Bay but the EMF is not just applicable for St Francis Bay.

The Municipal Manager advised that the application was submitted by the SFBRA NPC which needed to be validated in terms of the adopted SRA Policy and SRA By-law. The PPP was followed as contained in the report and in terms thereof, there is no reason not to approve the applications as it was compliant.

Rates levied are collected by the Municipality and paid over to the SFBRA NPC and will only be administering the collection of levies.

Cllr Williams mentioned that the benefits of the SRA will increase property value and a SRA has been implemented in other coastal areas. Currently the protection of the Spit area is the responsibility of the Kouga Municipality and by approving the SRA will lessen the risk to the Municipality should the Spit area erode.

The SRA application will focus on the restoration of the beach, river and spit as priority 1 and the upgrading of roads and as priority 2. Implementing CCTV camera surveillance as priority 3.

The representing Attorneys were afforded an opportunity to address the Committee and advised as follows:-

- Voting process took place with majority vote in favour of the SRA levy;
- All property rateable in the demarcated area;
- KM collects SRA levy and pays over to the Managing Body which is a Non-Profitable Company (Section 21 Company);
- Administration fee charged by the KM;
- KM does not contribute to the SRA levy Fund;
- In terms of the MOI, only owners of rateable property (SRA Levy) will qualify for membership of the Section 21 Company;



- Financial Agreement to be concluded – minimum of 5 years with specified termination period;

Cllr Williams proposed that the recommendation with amendments be accepted.

Cllr Dayimani requested a Division of Votes


H Hendricks	-	In Favour with amendments
H Bornman	-	In Favour with amendments
B Williams	-	In Favour with amendments
D Benson	-	In Favour with amendments
F Baxter	-	In Favour with amendments
FJ Campher	-	In Favour with amendments
BF Rheeder	-	In Favour with amendments
DM Nkomo	-	In Favour with amendments
L Vorster	-	In Favour with amendments
FJ Louw	-	In Favour with amendments
B Carstens	-	In Favour with amendments
B Dhludhlu	-	In Favour with amendments
WPD Gertenbach	-	In Favour with amendments
W Coenraad	-	In Favour with amendments
M Dayimani	-	Not in Favour
E Februarie	-	Not in Favour
S Jijwana	-	Not in Favour
T Meleni	-	Not in Favour
M Peters	-	Not in Favour
C Matroos	-	Not in Favour
C Mandeka	-	Not in Favour
P Nkwalase	-	Not in Favour
V Vumazonke	-	Not in Favour
In Favour	=	14
Not In Favour	=	9

Resolved (23 May 2018)

1. That the Special Ratings Area be established for the geographical area as depicted in the attached Plan, subject to the following amendment being made to the Business Plan of the applicants:
 - a) *reference to EMF be removed from the business plan;*
 - b) *the contribution of R3 000 000 reflected under the budget in the Business Plan be removed;*
 - c) *that the applicant make provision for Bad Debt on the budget in terms of their Business Plan;*

- d) *that Note 9 of the budget in the Business Plan be amended to refer to 'administration fee' and not 'bad debt' as currently reflected;*
- e) *that paragraph 1.1 of Schedule B to the Memorandum of Incorporation of the Management Body be amended by the deleting the words "shall be open to" and replacing it with the following words "shall be limited to".*
2. That a Special Ratings Area rate be levied on each rateable property situated within the boundaries of the Special Ratings Area, which Special Rates Area rates in respect of each rateable property be a percentage of the applicable property rates payable by each property owner, so calculated that the aggregate thereof equal the applicants' proposed amount in the Special Ratings Area Business Plan, plus Vat.
3. That only the SRA Levies collected by the municipality will be paid over to the Special Ratings Area Management Body, and any rates collected by the municipality will first be applied toward the municipal property rates portion for the rateable property situated within the boundaries of the Special Ratings Area.
4. That the Council approve the conclusion of a Finance Agreement with the Management Body of the Special Ratings Area and note that the Municipal Manger shall approve a deviation in respect of the conclusion thereof, given that the funds to be paid by the municipality to the Management Body are funds collected by the municipality in respect of the Special Ratings Area rates, from owners of rateable property situated in the Special Ratings Area, and who are entitled to be members of the Management Body. This agreement must make provision for a termination date.
5. That the Administration Fee to be retained by the Municipality be negotiated between the Applicant and the Municipal Manager and which fee must be included in the Finance Agreement referred to in (4) above.

The meeting closed at 10:10



H BORNMAN
SPEAKER

31 May 2018

DATE