

**MINUTES OF AN ORDINARY COUNCIL MEETING OF THE KOUGA MUNICIPALITY HELD
AT THE KOUGA COUNCIL CHAMBER (JEFFREYS BAY UNIT) ON
FRIDAY, 29 MARCH 2019 AT 10:00**

PRESENT: Councillors	H Bornman	(Speaker)
	H Hendricks	(Executive Mayor)
	B Williams	
	D Benson	
	F Baxter	
	FJ Campher	
	BF Rheeder	(Alderman)
	DM Nkomo	
	L Vorster	
	W Coenraad	
	NS Botha	
	B Dhludhlu	
	WPD Gertenbach	
	C August	
	R Jantjies	
	T Jantjes	
	P Nkwalase	
	V Camealio-Benjamin	
	J Mayoni	
	M Dayimani	
C Matroos		
T Meleni		
V Vumazonke		
E Februarie		
C Mandeka		
M Peters		
A Mabukane		
Officials & Municipal Manager	F Mabusela	(Acting Municipal Manager)
	S Thys	(CFO)
	V Felton	(Director: I&E)
	D Barnard	(Acting Director:Community Services)
	D De Jager	(Manager: HR)
	L Opperman	(Manager: Legal Services)
	N Zode	(Committee Services)

1. **NOTICE OF MEETING**

The Speaker read the notice convening the meeting.

2. **OPENING AND WELCOME**

The Speaker welcomed everybody to the meeting and requested Councillor Dayimani to open the proceedings with a prayer. He then stated that there will be a presentation from COGTA

3. **LEAVE OF ABSENCE**

Cllr Louw – Off sick
Cllr Jujwana – Leave of absence

4. **PRESENTATIONS**

COGTA – CWP presented by Mr. Sobantu Yoko

QUESTIONS/ANSWERS/COMMENTS

Cllr Dayimani enquired how the employability is enhanced by the CWP programme. What initiatives have they had and what is the impact?

Cllr August enquired how does COGTA ensure that the programme does not benefit a selected few in the Community and how do they ascertain rotation for all Community members.

Cllr Gertenbach asked who caters for the equipment that the CWP people have to use?

Cllr Dhludhlu enquired whether the different types of unions have been engaged regarding the scope of CWP, as it might attract an establishment of other unions within Kouga which might create problems for Kouga.

Mr. Yoko stated that participants are encouraged to register co-operatives, COGTA province rolls out co-operatives training supported by SETA and by the Department of Economic Affairs. All the site managers were trained with the hope that the second leg of the training will be targeted to participants, in Joe Gqabi there are co-operatives currently running on their own such as brick making co-operatives, poultry co-operatives which are focusing on their own initiatives. There is also a focus on artisan training such as brick making and carpentry which makes individuals to have a skill and be employable.

He further indicated that when it comes to Community employment, they request Councillors to come up with a list as this is a Community based programme and Councillors are the ones who are more familiar with their Communities, he also indicated that the non-wage payment is dedicated to buy the equipment and safety clothing required for projects and training.

Mr. Plaatjie greeted everyone and advised that some of the questions can be answered at a session after Council meeting with the Councillors, he also indicated that these programmes work better when COGTA is working with Municipalities to make the projects a success. There are participants in other Municipalities who have been trained to make the orange overalls and supply them to CWP and there also participants who have been trained on home-based care which have been absorbed by Social Development, there are also participants who have been trained on welding. He further indicated that creatively they can come up with programmes within the Municipality to enhance the skills of the Communities, however it is difficult for the Municipality to even make the threshold number required for participants. Public employment programmes do come with challenges, but government has agreed that this programme is not an employment service it is a vehicle to empower Communities. Government did have sessions with unions and businesses and unions are encouraged to become part of such initiatives together with Councillors in order to successfully drive this vehicle together for the betterment of Communities.

5. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**

Condolences to:-

Ms. C Strydom who passed away, she was one of the retired employees of Kouga Municipality.

Birthday wishes to:-

Cllr Peters
Cllr Nkomo
Cllr Februarie

Speaker requested Councillors to be mindful of their dress code in a formal Council Meeting.

Councillor Jantjies humbly apologised to Councillor Februarie for an incident which took place at the opening of Council.

6. **STATEMENTS OR COMMUNICATION BY THE SPEAKER**

Speaker mentioned that we are going to a season of IDP processes which is very important going to the final adoption of the annual budget for the next financial year, with that comes a lot of Community processes which have not been attended very well in the past few years, he then urged Councillors to encourage their Communities to participate in the Municipal IDP processes.

He further indicated that he would like this Council to be more transparent and more open to the public, because of space Council can only allow 8 public members to attend Council meetings, he also

mentioned that the Municipality is exploring ways of getting a camera in the Council Chambers in order to livestream the Council meetings for public to access on the Municipal website or Facebook/YouTube as these meetings are open to the public. He also indicated that there was one very positive public meeting with the community of ocean view and Tokyo where the community assisted two children, he then thanked Cllr Meleni & Cllr Makhasi in getting the community involved and for the outcome of the meeting.

Feedback on the Ward Development Fund expenditure will be given shortly at the Ward Councillors meeting as the financial year is coming towards the end, in some Wards there are some of the funds which have not been allocated yet and there are also technical issues but he is urging the Councillors to prioritize submitting their list of priorities for the upcoming year before the financial year starts in order to start procurement processes earlier.

There is a Ward Councillors meeting scheduled for the 9 April 2019 where the alignment of budget with IDP will be discussed, he urged all Ward Councillors to attend.

7. **STATEMENTS OR COMMUNICATIONS BY THE EXECUTIVE MAYOR**

The Executive Mayor welcomed all present and he indicated that during this meeting some very significant documents will be tabled in this Council which includes the adoption of the Annual Draft Budget, the second review of the IDP, the Annual Report of 17/18, the Oversight Report as well as the SDBIP.

The total operating revenue has increased by 9.70% or R73,739 million for the 2019/20 financial year, compared to the 2018/19 adjustment budget.

For the two outer years, operational revenue increase by 9,63% and 9,88% respectively, resulting in a total revenue growth of R244, 375 million over the MTREF when compared to the 2018/19 financial year.

Total operating budget expenditure for the 2019/20 financial year amounts to R889, 468 million, resulting in a budget deficit of R55,496 million. Compared to the 2018/19 adjustment budget, operational expenditure increased by 8.50% in the 2019/20 budget.

For the two outer years, operational expenditure increases by 8.81% and 8.58% respectively. The 2020/21 and 2021/22 budgets reflect operating deficits of R53,544 million and R46,190 million respectively.

The major successes are the various sources that budget was received from such as service charges such as electricity, water and sanitation, property rates and environmental fees and refuse collection which is about 54,75% property rates 23.81% grants and subsidies received from National and Provincial Governments 15.96%

In order for to fund the 2019/20 operating budget the following increase in property rates and service charges have been proposed, with effect from 1 July 2019

Property rates	-	7.5%
Water	-	7.5%
Sanitation	-	8%
Refuse	-	8%
Electricity (average increase in electricity income)	-	13.87%
Environmental Management Fee	-	5%

most of these rates show a downward trend from what we had previously, this is more or less an increase as proposed by NERSA, Council will now subject this budget to scrutiny by our Communities and this will take place over April 2019, the Draft budget will be accompanied by the IDP. What sets this Municipality apart is the innovative way it deals with its challenges such as service delivery which includes dilapidated infrastructure, electricity, water and bucket system. The Municipality has over the last year made some visible progress in tackling each of its challenges and we need to step up our game in order to deal with these backlogs and achieve service excellence for our Communities. As we embark on our public participation process in April 2019 the IDP and the budget seek to improve the challenges faced by the Municipality.

Council will also get to approve the Annual Report which has been scrutinized by the public as well as Council which is accompanied by the oversight report from MPAC, my sincere appreciation to the MPAC Chairperson and the previous Chairperson for their very hard work on the Oversight and the annual report. Council will also be adopting the SDBIP which is a score card and a significant oversight tool for Council to keep Administration accountable. From the last Council meeting this Municipality has had a privilege of giving away another 8-wheel chairs to disabled people to show that we are a caring Municipality. The Municipality is also embarking on a new project of plastic road which is the first for South Africa, this is the correct impetus we need in dealing with the road and infrastructure challenge, we understand economic growth and we believe in job creation. There are worrying factors such as the expenditure on drought budgets is slow and that may require the Mayor to National treasury to request a roll over, but he is pleading to Administration to prioritize the spending of drought budget before end of June 2019.

8. **REPORT BACK: SARAH BAARTMAN DISTRICT MUNICIPALITY REPRESENTATIVES**

The Speaker mentioned that the first four pages of the report are suffice and for future there is no need to attach the minutes.

Cllr Februarie was of the view that the confidential minutes of Sarah Baartman should have been placed in the confidential section of the agenda not on the public agenda.

The Executive Mayor said that was an error it should have never been on the open section of the agenda.

9. **REPORT BACK: INTERGOVERNMENTAL RELATIONS FORUM (IGR)**

None

10. **REPORT BACK: MUNIMEC**

The Executive Mayor proposed that the specific matters dealing with Kouga should be distributed electronically to all Councillors as opposed to put it on the agenda.

11. **STATUTORY MATTERS**

12. **REPORTS BY THE EXECUTIVE MAYOR**

13. **CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETINGS**

The Acting Municipal Manager confirmed that all reports, are accurate and truthful.

- 13.1 The Minutes of Special Council Meeting held on 28 February 2019 were confirmed and accepted with amendments.

Proposed: R Jantjies

Seconded: V Camealio-Benjamin

13.2 **CLARITY/ CORRECTIONS**

Cllr Botha raised the fact that all Councillors were present at the meeting yet Councillor Mabukane is not listed under the adjustment budget division of votes. All Councillors present must be recorded.

The Speaker explained that Cllr Mabukane was out of the Council Chamber when the division of votes took place, he came back in after the votes were counted but that should be noted in the minutes.

Cllr Dayimani stated that he noticed that the names on the Portfolio Committee Structures are not captured correctly as they were submitted to the office of the Speaker.

14. **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).

14.1 **MINUTES OF PREVIOUS MAYORAL COMMITTEE MEETING**

None

15. **MINUTES AND REPORTS OF COMMITTEES OF THE COUNCIL**

15.1 **MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

15.2 **KOUGA AUDIT COMMITTEE**

None

16. **REPORTS BY THE OFFICE OF THE ACTING MUNICIPAL MANAGER**

19/03/MM2 COUNCIL RESOLUTIONS FOR 31 JANUARY 2019 & 28 FEBRUARY 2019

Cllr Williams enquired about action sheets prior to January 2019 which were supposed to be part of this agenda. Council cannot continue like this.

Cllr Februarie enquired where is the report of 75 workers that he requested numerous times from Administration.

Cllr Camealio-Benjamin stated that Top Management should priorities the attendance of Council Meetings.

Cllr Dhludhlu apologized and stated that his Director did inform him of her trip.

Resolved (29 March 2019)

1. That the updated Actions Sheets reflecting unactioned resolutions of the Ordinary Council meeting for 31 January 2019 & 28 February 2019 be noted.
2. That it be noted that the Action Sheets are referred to Top Management meetings for discussions and progress reports are submitted to their respective Portfolio Committee meetings.

3. That the relevant Portfolio Chairpersons must interact with their respectful Directors on the matters pertaining to action sheets before they are submitted to Council.
4. That oversight on Council Resolutions be performed by the office of the Speaker.

19/03/MM3 KOUGA MUNICIPALITY: ANNUAL REPORT (2017/2018)

Cllr Dayimani stated that he agrees with the adoption of the annual report noting that the activities within that financial year have been an onslaught on the poor Communities by diversion of funds from non privileged areas to privileged areas

Resolved (29 March 2019)

1. That the Kouga Municipality Annual Report for the 2017/2018 be adopted in terms of the provisions of Section 121 (1) of the Local Government Municipal Finance Management Act, 56 of 2003 subject thereto that the comments, and recommendations as set out in the Oversight report be attended to.
2. That the Municipal Manager submit copies of the minutes of the meeting of Council where the Annual Report was adopted to the Auditor General, Provincial Treasury and the Department of Cooperative Governance and Traditional Affairs as required in terms of the provisions of Section 129(2)(b) of the Local Government Municipal Finance Act, 56 of 2003.
3. That the comment received on the Annual Report be dealt with administratively.
4. That the 2017/18 Annual Report be published on the Kouga Web-Site within 7 days of adoption of the Annual Report.
5. That the 2017/18 Annual Report be submitted to the following institutions:
 - The Auditor General
 - Provincial Treasury
 - COGTA

19/03/MM4 2017/18 ANNUAL REPORT: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE OVERSIGHT REPORT

Resolved (29 March 2019)

1. That having fully considered the 2017/2018 Annual Report of the Kouga Municipality and representations thereon, the Oversight Report by the Municipal Public Accounts Committee be adopted with the following reservations:

- a) The components of satisfactory performance of the Kouga Municipality is acknowledged and appreciated.
- b) Management should ensure timeous availability of correct documents for the Annual Report to allow MPAC to evaluate performance.
- c) That Supply Chain Management expedite the approval of contracts (BSC, BEC and BAC) for implementation of projects, because it delays service delivery and give rise to fruitless and wasteful expenditure.
- d) That the efficiency and accuracy of the reporting of the Call Centre and Link App be investigated.
- e) That the bulk water service agreement with the Nelson Mandela Metro be finalized.
- f) That a new agreement with Department of Water and Sanitation for the provision of an increased water quota for domestic use by Kouga be negotiated.
- g) That the dramatic increase in growth rate and associated informal settlements be used to motivate for infrastructure grants from Government.
- h) That the percentage of the budget for Repair and Maintenance be increased and be guided by the Repair and Maintenance Plan.
- i) That the continued escalation in outstanding debtors be curbed.
- j) That the Anti-corruption and Fraud Prevention Policy be upgraded.
- k) The implementation of the Audit Action Plan based on the findings of the Auditor General should in future be evaluated by MPAC on a quarterly basis.
- l) That the relocation of residents after removal from informal settlements and the removal of old shacks be guided by a Relocation Plan.
- m) That land be made available for new Cemeteries in Kouga as they are mostly full.

- n) That the Disaster Management Plan be updated and improved.
- o) That all the Draft Policies be updated and finalized.
- p) That the Environmental Management Fee (EMF) in future be phased out of the budget.
- q) That electrical losses due to illegal electrical connections and meter tampering be limited by installing legal connections.
- r) That the annual deficit in the budget be reduced.
- s) That the increased expenditure on Employee Related Cost, Impairment Losses and Contracted Services be curtailed and
- t) That where possible, the entire Capital Budget be spent.

19/03/MM5 DRAFT SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN: 2019/20

Cllr Dayimani raised some discrepancies with the budget and the SDBIP in the revenue target percentages as well as water and sanitation.

The Acting Manager stated that the amendments have been noted and will be addressed accordingly.

Resolved (29 March 2019)

- 1. That the Draft 2019/20 Service Delivery and Budget Implementation Plan be noted.
- 1. That the Draft Service Delivery and Budget Implementation Plan 2019/20 be workshopped for all Councilors.

19/03/MM6 TERMS OF REFERENCE FOR THE KOUGA MUNICIPALITY FINANCIAL MISCONDUCT DISCIPLINARY BOARD

Resolved (29 March 2019)

- 1. That the Terms of Reference for the Kouga Municipality Financial Misconduct Disciplinary Board be workshopped for all Councillors.

19/03/MM7 2019/20 DRAFT IDP REVIEW OF THE 5 YEAR IDP (2017/2022)

Cllr Februarie stated that he is disputing the priorities as listed in the IDP because according to his Ward priorities which he submitted they have bulk infrastructure as number one on the list. He also indicated that he wrote to the MM and Council regarding the bulk infrastructure in Loerie and still the budget does not reflect the bulk infrastructure for Loerie. He further indicated that he will take legal action regarding the bulk infrastructure because Ward 8 priorities are neglected by the Municipality.

Cllr Dayimani stated that in 2016 there was an agreement with the previous Executive Mayor to at least take care of one priority per financial year for each Ward and that is not happening, he then requested that budget be Ward based.

The Speaker stated that in April 2019 there will be a Ward Councillors meeting where the Ward based proposition will be discussed, he pleaded with Councillors to be in attendance.

Resolved (29 March 2019)

1. That the **Draft 2019/20 IDP** of the 2017/22 Integrated Development Plan be accepted in terms of the provisions of Section 25 of the Local Government Municipal Systems Act, 32 of 2000.
2. That the **Draft IDP** document be submitted to the MEC and relevant stakeholders within 10 days of acceptance by Council.
3. That the Draft 2019/20 IDP be published on the municipal website within 10 days of acceptance by the Council.
4. That a Progress Report on the priorities per ward from 2016 be tabled to the next Council meeting.

17. **REPORTS BY THE EXECUTIVE MAYOR**

17.1 **FINANCE**

19/03/F1 **MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2018 TO FEBRUARY 2019 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 28 FEBRUARY 2019 (2018/19 FINANCIAL YEAR)**

Resolved (29 March 2019)

1. The Executive Mayor notes the Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act.
2. The monthly budget statements be accordingly submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA.
3. That the Metro Water bill be referred for an opinion, as to whether it can be considered as a contingent liability removed from the current liabilities, that the matter be dealt with in 7 days and a report be tabled to the Executive Mayor and the Finance Portfolio Chairperson.

19/03/F2 **SUPPLY CHAIN MANAGEMENT: S36 DEVIATIONS, MONTHLY TENDERS AND 7 DAY NOTICES FOR THE MONTH OF JANUARY 2019.**

Resolved (29 March 2019)

1. That the report on the Section 36 Deviations, monthly tenders and 7 Day Notices for the month of January 2019, be noted.
2. That the report be submitted to Council for approval as per the reporting requirements.
3. That payments made to MJM Consulting be referred to MPAC for investigation in to potential fruitless expenditure, in light of concerns raised by the BAC on the 4 January 2019, and the subsequent rejection of the applicable water tenders by the BAC.

19/03/F3 **SUPPLY CHAIN MANAGEMENT: S36 DEVIATIONS, MONTHLY TENDERS AND 7 DAY NOTICES FOR THE MONTH OF FEBRUARY 2019.**

Resolved (29 March 2019)

1. That the report on the Section 36 Deviations, monthly tenders and 7 Day Notices for the month of February 2019, be noted.
2. That the report be submitted to Council for approval as per the reporting requirements.

19/03/F4 **DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) – BUDGET FOR THE 2019/20 TO 2021/2022 FINANCIAL YEARS**

Resolved (29 March 2019)

1. That Council, by resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 16 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the 2019/20 – 2021/22 Draft Annual Budget, as set out in the following tables:
 - a) Consolidated Budget Summary; [Table A1]
 - b) Budgeted Financial Performance (revenue and expenditure by standard classification); [Table A2]
 - c) Budgeted Financial Performance (revenue and expenditure by municipal vote); [Table A3]
 - d) Budgeted Financial Performance (revenue by source and expenditure by type); [Table A4]
 - e) Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source. [Table A5]
2. That the budgeted financial position, budgeted cash flows, cash-backed reserves/accumulated surplus, asset management and basic service delivery targets be noted as set-out in the following tables:

1. Budgeted Financial Position; [Table A6]
 2. Budgeted Cash Flows; [Table A7]
 3. Cash backed reserves and accumulated surplus reconciliation; [Table A8]
 4. Asset management; [Table A9]
 5. Basic service delivery measurement. [Table A10]
3. That the Tariffs be increased as follows, with effect from 1 July 2019:

Property rates	-	7.5%
Water	-	7.5%
Sanitation	-	8%
Refuse	-	8%
Electricity	-	13.87%
(average increase in electricity income)		
Environmental Management Fee	-	5%

- (a) Indicative tariffs for 2020/21 and 2021/22 will be increased as follows:

	<u>2020/21</u>	<u>2021/22</u>
Property rates	7.5%	7.5%
Water	7.5%	7.5%
Sanitation	8%	8%
Refuse	8%	8%
Electricity	13.87%	13.87%
(average increase in electricity income)		
Environmental Management Fee	5%	5%

4. That the Director: Infrastructure and Engineering reports on the outcomes of the implementation of a strategy by 6 May 2019 to the Office of the Municipal Manager, to reduce non-technical electricity losses.
5. That the Director: Infrastructure and Engineering reports on the outcomes of the implementation of a strategy by 6 May 2019 to the Office of the Municipal Manager, to reduce water losses.
6. That the Director: Community Services reports on the outcomes of the implementation of a strategy by 6 May 2019 to the Office of the Municipal Manager, to collect outstanding traffic fines.
7. That the Director: Infrastructure and Engineering reports on the implementation of a bucket eradication strategy by 6 May 2019 to the Office of the Municipal Manager.

8. That the relevant Directors submits their respective Maintenance Plans, in support of the 2019/20 – 2021/22 Draft Annual Budget to the Office of the Municipal Manager, by not later than 6 May 2019.
9. That the relevant Directors submit their respective Procurement Plans, in support of the 2019/20 – 2021/22 Draft Annual Budget to the Office of the Municipal Manager, by not later than 13 May 2019.

The matter was put to a vote:

In favour of the recommendations - 16

Not in favour of the recommendations - 11

The matter was moved by the majority of the Council.

17.2 CORPORATE SERVICES

19/03/CORP1 CORRECTION OF CORPORATE SERVICES PORTFOLIO COMMITTEE COMPOSITION

Resolved (29 March 2019)

1. That the committee notes the error in the resolution dated 28 February 2019, which omitted Cllrs Jujwana and Nkwalase's names from the Corporate Services Portfolio and which included Cllr Vumazonke as a member instead of an alternate member.
2. That the Corporate Services Portfolio Committee be corrected to read as follows:

Corporate Services Portfolio	Committee Members	Alternate Members	Functions
Chairperson	Bryan Dhludhu		<ul style="list-style-type: none"> • Administration • Human Resources • Strategic Institutional Projects
	Faan Louw	Danny Benson	
	Robin Jantjies	Aaron Nkomo	
	Wilma Coenraad		
	Sibongile Jujwana		
	Phumza Nkwalase	Velile Vumazonke	
Ex-officio	H Hendricks		

3. That the political parties submit names of Committee Members with alternate Members to serve on the Portfolio Committee Structure which is to be tabled at the next Council Meeting.

17.3 **INFRASTRUCTURE & ENGINEERING**

19/03/I&E1 **FUNDING APPLICATION FOR REFURBISHMENT AND UPGRADE OF THE HUMANSDORP KWANOMZAMO WASTE WATER TREATMENT WORKS**

Resolved (29 March 2019)

1. That the Council supports the application process for accessing grant funding from sector departments for the upgrade and refurbishment of the Kwanomzamo waste water treatment works.

17.4 **PLANNING, DEVELOPMENT & TOURISM**

19/03/PDT1 **INFORMAL SETTLEMENTS AUDIT REPORT**

Resolved (29 March 2019)

Item withdrawn

17.5 **COMMUNITY SERVICES**

19/03/CS1 **ESTABLISHMENT OF RISK REDUCTION COMMITTEE IN ST FRANCIS BAY**

Resolved (29 March 2019)

Item withdrawn

The meeting closed at 12:55 for In Committee discussions.



H BORNMAN
SPEAKER

30 April 2019

DATE
