

**MINUTES OF AN ORDINARY COUNCIL MEETING OF KOUGA MUNICIPALITY HELD ON
TUESDAY, 31 MAY 2022 AT 10:00**

PRESENT: Councillors

Ald B Williams	(Speaker)
Ald H Hendricks	(Executive Mayor)
H Bornman	(Deputy Executive Mayor)
Ald D Benson	
B Dhludhlu	
T Jantjes	
W Gertenbach	
H Murray	
R Foley	
F Heystek	
C August	
M Biko	
M van Niekerk	
J Alexander	
L Maree	
S Ruth	
P Oliphant	
M Dayimani	
M Yali	
V Gunuza	
K Ndzelani	
N Ntshota	
B Human	
N Ntengwane	
E Mbuqu	
M Valgee	
W van der Linde	
L Nkilishane	
M Mbandana	

**Officials &
Municipal Manager**

C du Plessis	(Municipal Manager)
K Moodley	(Director: Corporate Services)
F Mabusela	(Director: PDT)
N Machelesi	(Director: Community Services)
R Lorgat	(CFO)
D De Jager	(Deputy MM)
L Opperman	(Manager: Legal Services)
A Jonck	(Manager: Office of the Mayor)
T Madatt	(Manager: Electrical Services)
N Zode	(Committee Officer)
M Basson	(Senior Media Liaison Officer)
M Julius	(Committee Clerk)
L Wessels	(Paralegal Officer)

National Treasury

Andre Treurnich

1. **NOTICE OF MEETING**

The Speaker read the notice convening the meeting in terms of Section 19 of the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000) that a virtual Ordinary Council Meeting will be held.

2. **OPENING AND WELCOME**

Cllr K Ndzalani opened with a prayer.

The Speaker stated that there was no leave of absences but he was aware that Councillors in Hankey were dealing with a critical situation on the ground and therefore would be joining late.

3. **ABSENT WITH LEAVE**

Cllr V Zana

4. **ABSENT WITHOUT LEAVE**

None

5. **PRESENTATIONS**

None

6. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**

Ald D Benson extended birthday wishes to the Councillors who had birthdays in May.

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

The Speaker stated that he would not delve into the budget as he was sure the Mayor would cover the salient issues within the 2022/23 budget, but it is pleasing to note that the Municipality had a cash backed budget.

On the IDP, he thanked all the officials, Councillors as well as residents who had all played their part in ensuring that the Municipality had a credible IDP that spoke to the needs of the community as well as the macro requirements of the Municipality.

It was often easy to forget the underground pipes that needed to be repaired as well as the cost for new pipes that had to connect boreholes to water treatment plants, but all these needed to be planned and budgeted for to ensure the Municipality could continue to deliver services to all communities in Kouga.

His Office had a busy month of public participation, including visits to the Humansdorp Secondary School, where it was supporting the parents who had decided enough was enough and were busy taking back their school.

It was pleasing to see Councillors from different political parties supporting the initiative and that discipline was being instilled in the learners.

The support of old students of Humansdorp Secondary had been initiated to financially support the parents who were selflessly patrolling the school grounds and to ensure they had coffee and tea and rusks to eat during school hours.

The Moral Regeneration Movement would be relaunched on 21 June at the Kruisfontein Civic and is heartened by the support of the Minister's Fraternal who understands the moral lack currently experienced in society at large.

From the looting of State-Owned Enterprises to Gender Based Violence, Gangsterism and crime all our communities were experiencing daily, it was clear that moral regeneration was needed in South Africa and his Office would lead the initiative in Kouga. He urged all Councillors to support the launch on 21 June 2022 and to invite the relevant stakeholders in their various communities to join.

There were serious issues taking place in local communities when it came to crime- from panga attacks in Ocean View to murders in Hankey. Council had to ensure that it made Kouga Safe.

Ward Committees were all fully functional and ward Councillors were having regular engagements with their communities. He encouraged this as Councillors often got accused of not communicating with residents. It was pleasing to note that Councillors were taking this seriously.

Day Zero has been pushed out to mid-June and every rainfall received pushed this date out further. Prayers for water had to continue as the Municipality went about with erecting water points in every community in Kouga to ensure our residents will have access to water no matter what happens.

He thanked all Councillors for their support.

8. **STATEMENTS OR COMMUNICATION BY THE EXECUTIVE MAYOR**

The Executive Mayor indicated that he would reserve his speech for when he tabled the budget.

9. **REPORT BACK: SARAH BAARTMAN DISTRICT MUNICIPALITY REPRESENTATIVE**

The Speaker stated that report had to be submitted and asked that the Mayor notes the request.

The Executive Mayor noted the request.

Cllr M Dayimani stated that the Representatives had to be guided on on the reporting requirements

The Speaker stated that the minutes would be a good starting point.

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

22/05/IGR1

MINUTES OF THE MAYORAL INTER-GOVERNMENTAL RELATIONS MEETING

The Speaker indicated that Cllr V Zana was on the Speaker's list and asked who would act as the Chief Whip on his behalf.

Cllr Dayimani stated that Cllr Zana was affected by the protest in Hankey, and he would be leading the discussion on behalf of the ANC caucus.

The Speaker allowed the Councillor to Cllr Zana's behalf.

Cllr Dayimani highlighted that the security cluster had not been present. SAPS had to present report on interventions and challenges regarding combatting crime.

The Speaker noted this but would take the matter up SAPS through his office.

Resolved (31 May 2022)

1. That Council notes the minutes of the Mayoral Inter-Governmental Relations Meeting.

11. **REPORT BACK: MUNIMEC**

None

12. **DISCLOSURE OF INTEREST**

13. **STATUTORY MATTERS**

None

14. **MINUTES OF PREVIOUS MAYORAL COMMITTEE MEETING FOR NOTING**

14.1 None

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

15.1 **MINUTES OF THE ORDINARY COUNCIL MEETING HELD ON 29 APRIL 2022**

Resolved (31 May 2022)

1. That the minutes of the Ordinary Council meeting held on 29 April 2022 be accepted.

Proposed: W Gertenbach

Seconded: R Foley

16. **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).

17. **REPORT BY THE OFFICE OF THE MUNICIPAL MANAGER**

22/05/MM1 COUNCIL RESOLUTIONS AS AT 29 APRIL 2022

The Municipal Manager introduced the item.

Cllr H Bornman stated that the Kruisfontein Sportsfield issue had been long standing. He requested that Community Services table an item to rescind the resolution. The Municipal Manager had to rescind the resolution and make a decision on establishing a Sports Council. After the establishment there could be another discussion on custodianship

Ald Benson noted the concern and stated that the matter now fell under the SPU unit. In 2019 it was determined that a Sports Council be established. He proposed that the SPU unit establish a sports council, it was reported that there was a Sports Council but no minutes from this were ever tabled. An item had to be submitted for the approval of the establishment of a Sports Council.

Cllr W Gertenbach seconded the proposal.

The Speaker would allow Cllr Dayimani to speak on Cllr Zana's behalf where he had been listed as a speaker.

Cllr Dayimani on the Aston Bay Community Hall, asked if there was a policy to guide custodianship, if there was no policy this had to be addressed.

On revetment and dune rehabilitation, he enquired whether these were endless projects. Did the projects have a timeline for completion?

The Municipal Manager on rock revetements, stated that the project would be at the end of July. Dune rehabilitation would continue but would be through government funding.

The Speaker asked that he comment on Community halls.

The Municipal Manager responded that on custodianship there was a policy for leasing but when it came to safety this was dealt with on an ad-hoc basis, but this could be referred back to a policy workshop.

The Speaker stated that there had to be a discussion on the matter.

Cllr Dhludhlu stated that there was a policy in place for leasing.

Resolved (31 May 2022)

1. That the updated Action Sheets reflecting resolutions of previous Council meetings and resolutions approved during the period of the Executive Mayor's Delegated Authority, be noted.
2. That it be noted that all resolutions are referred to Top Management meetings for discussion whereafter outstanding reports are submitted to their respective Portfolio Committee meetings.
3. That Directorates complete the Action sheets comprehensively, indicating the official responsible for actioning the recommendation, the due date, status of completion and tasks performed.
4. That the SPU unit establish a sports committee and that an item be tabled to Council.

Proposed: D Benson

Seconded: B Dhludhlu

22/05/MM2 KOUGA MAYORAL CUP 09 JUNE 2022 – 30 JULY 2022

The Municipal Manager presented the item.

Cllr Dayimani requested that all Councillors be invited to the launch and that Ward Councillors be included in the handover of medals.

The Speaker asked that Ms Jonck note the requests.

Resolved (31 May 2022)

1. That Council notes the report.

Proposed: R Foley

Seconded: D Benson

22/05/MM3 INSTITUTIONAL PERFORMANCE REPORT: 2021/22 FINANCIAL YEAR: PERIOD 1 JULY 2021 TO 31 MARCH 2022

The Municipal Manager presented the item.

Cllr Dayimani stated that the SDBIP painted a gloomy picture and further added that Senior Management was not meeting targets.

Top Management had to present turn around strategies to meet targets. The matter had to be further investigated.

The Speaker indicated that Cllr S Ruth was working on improving the SDBIP. He expected a workable SDBIP in the future.

The Municipal Manager stated that interventions were in place and expenditure had improved.

Resolved (31 May 2022)

1. That the Institutional SDBIP Implementation Performance Report for the period 1 July 2021 to 31 March 2022 be noted.

22/05/MM4 COUNCIL ADOPTION OF THE 5 YEAR INTEGRATED DEVELOPMENT PLAN (2022-2027)

The Executive Mayor tabled the IDP and stated that the Executive Deputy Mayor would deliver his speech on his behalf. He would thereafter formally table both the Budget and IDP.

It was a great privilege on behalf of Kouga Municipality and the Executive Mayor to present the Municipality's Integrated Development Plan (IDP) and Annual Budget.

The IDP and Budget will be externally focused, driven by community needs and geared towards meeting community aspirations gleaned from stakeholder consultations and engagements throughout the past months. Key challenges in basic service delivery included old and insufficient bulk infrastructure, the quest for water security for all our communities, the deteriorating condition of our road network, illegal electricity connections, and the cleanliness of our towns.

The Municipality had, over the past year, made visible progress in addressing each one of these challenges, but we need to step up our game even more if we are to deal with all backlogs decisively and achieve service excellence for all communities. The total expenditure budget (operational and capital) for 2022/ 2023 amounted to R1.2 billion. The plans to keep Kouga serviced include strongly facing down the current drought and achieving water security in the region.

Efforts continued to bring additional boreholes online, as our access to water from the Churchill Dam diminishes. While the new boreholes would bring the Municipality closer to achieving water security for all communities, ground water was also a finite resource and it was imperative that every single person in Kouga commits to water conservation, treating every single drop with care.

The Municipality was developing more infrastructure to reticulate current sources of water into the treatment works, as well as implementing new technology and systems to treat this water.

It would endeavour to ensure that the water residents received through their taps is drinkable and safe.

Over R350 000 has been budgeted for 2022/ 2023 to replace old water pipes in St Francis Bay, while more than R500 000 would be spent to repair the water tower at Paradise Beach to help minimise water losses. The Municipality is in the process of negotiating a R100 million loan to assist in addressing the drought and water security interventions. The public participation process on the loan will be commencing in due course.

It was important to note that water security did not rest on additional water into the system alone. Securing our water came at a great cost, but he wanted to give residents the assurance that the provision of water was a second-to-none priority.

A large part of the capital budget would also go towards waste management, including:

- the upgrade of the sanitation system in Old Hankey (R18.4 million)
- new bypass sewer rising main and pump station in Jeffreys Bay (R1.2 million)
- the upgrade of sewer rising mains at Jeffreys Bay (R900 000)
- the upgrade of the Loerie pump station (R418 000).

He was excited to report that the tarring of gravel roads in Kouga was surging ahead with close to R7 million budgeted for the new financial year. A further R10 million will be spent on the resealing of roads across the region.

Some R715 000 will be spent on securing the power supply to Jeffreys Bay through the construction of new overhead lines from the Melkbos Station. The dire need for this was highlighted some seven years ago when the town was left without electricity for three days in the middle of the festive season after a section of the old lines collapsed. A further R1 million will be spent on upgrading the substation at Saffery Street to help stabilize the supply to Humansdorp.

If we are to keep Kouga clean, it is of utmost importance that we reduced the amount of waste that goes to our landfill sites. The Municipality was considering a waste-to-power project to divert waste from landfill sites by recycling and using it to generate electricity.

Over the next three years, the Municipality will launch a series of mayoral intervention programmes to reach into the furthest corners of our municipality, to make clean environments a reality for everyone and not just for some.

Kouga Municipality was taking steps to becoming the greenest municipality in the Eastern Cape. It was looking forward to the construction of South Africa's first Bio-Economic Zone that is set to take shape in Humansdorp soon.

Three additional wind farms will also be constructed, as well as a hybrid energy factory through foreign development. In line with this programme, Kouga Municipality intends to unlock about 30 000 jobs over the next five years, while combating the effects of climate change and positioning ourselves to becoming the renewable energy hub of SA.

In our ongoing effort to prevent and combat crime through a collective approach, communication and technology are at the forefront of providing the means for success.

The Integrated Keep Kouga Safe Control Room in Humansdorp, was providing a modern platform that encompasses systems like video surveillance and automatic number plate recognition. The UrSafe App is also set to be rolled out within the next week or two.

The establishment of Community Safety Forums will also be prioritised in the coming year, as well as the installation of CCTV security cameras at high-risk areas.

While the COVID-19 pandemic has had a severe impact on sport and recreational facilities, our programme to restore community facilities to their former glory will continue. A total of R4.5 million from the Municipal Infrastructure Grant (MIG) will go towards the upgrade of sports facilities and public amenities in 2022/ 2023.

The economic growth of our region, coupled to job creation, will also remain a priority. To this end, R400 000 will be spent on the construction of mini fresh food and craft markets in Jeffreys Bay and Hankey. Through tourism, which has the potential to be a game-changer, the Municipality could create millions in revenue injection into our local community and provide impetus to our drive to create one job in every home in Kouga.

Events, that will attract tens of thousands of patrons, will grow our local businesses, and create employment and sustainable opportunities.

He trusted that this IDP and Budget would stimulate the Municipality's partnership with communities, the private sector, and other spheres of government in order for us to achieve our goals.

During the worst of the COVID-19 pandemic and lockdown, the Municipality proved that partnering across all levels of stakeholders and sectors in the community, contributes to resilience and survival during extremely difficult times.

Together we are more, when we unite against the deterioration and destruction of our physical, cultural, structural, and moral assets, and can seize the potential we hold to be the best municipality in South Africa.

We have proven thus far that together we are more, when we unite against the deterioration and destruction of our physical, cultural, structural, and moral assets, and can seize the potential we hold to be the best municipality in South Africa.

He acknowledged the CFO for leading the budget team, and Director Mabusela for leading the IDP team and relayed his deepest gratitude and respect to the rest of their respective teams.

We look forward to building on our relationship with all stakeholders and continually improving on the municipality's planning processes so that, together, we can achieve our vision of Good Governance through Service Excellence. Let us all collaborate on our shared future, because if we want more, we need to become more.

It was said that luck favours the prepared. Abraham Lincoln is quoted as saying "Give me six hours to chop down a tree and I will spend the first four sharpening my axe"

As Kouga, had have fully prepared itself over the last few years for the opportunities that lay ahead, without fear or favour, the time has come to claim our destiny as the best Municipality in South Africa.

With those few words, as presented by Executive Deputy Mayor, the Executive Mayor tabled the annual IDP and budget for the 2022/ 2023 financial year.

The Executive Mayor tabled both the Budget and IDP.

Cllr Dayimani proposed that social amenities rather than sports facilities be captured as a priority as social amenities such as multipurpose centres were required by communities. Ward specific budgeting was required but was still not a reality. He requested that the Mayor or Deputy Mayor comment on this.

The Executive Mayor stated that partnerships were important post Covid-19 and detailed the example of the Windfarms investing in social amenities such as multi-purpose centres. The objective would be achieved through partnerships and investments as such.

Cllr Ruth stated that there were a few spacing and text errors in the document. She requested that the minor errors be corrected before submission to the MEC.

She reminded Councillors that the IDP was a living document and priorities could be considered.

The Speaker stated that the addition of social amenities could be captured.

Resolved (31 May 2022)

1. That Council **adopts** the 5-year Integrated Development Plan for the period 2022-2027 as stipulated in Section 25 of the Local Government Municipal Systems Act, 32 of 2000.
2. That the following priorities for the 2022-2023 financial year be approved and reviewed in the 2023-2024 financial year:
 1. Roads and Stormwater
 2. Water and Sanitation
 3. Ward based specific funding
 4. Electricity and street lighting
 5. Fleet and fleet management
 6. Safety and security of municipal assets
 7. Sports facilities
 8. Refuse and waste
 9. Office space
 10. Land and cemeteries
3. That, in terms of the provisions of the Municipal Finance Management Act, 56 of 2003, Circular 13 dated 25 January 2005, the Departmental Service Delivery and Budget Implementation Plans be developed by Section 56 Managers, detailing lower-level functions and responsibilities with time frames towards the achievement of the Institutional Objectives as set out in the 2022/2027 Integrated Development Plan.
4. That the provisions of Section 25 (4) and Section 32 (1) of the Local Government Municipal Systems Act, 32 of 2000 be complied with.

Proposed: L Maree

Seconded: C August

18. **REPORTS BY THE EXECUTIVE MAYOR**

18.1 **REPORTS BY THE CHAIRPERSON: FINANCE**

22/05/F1 MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2021 TO APRIL 2022 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 APRIL 2022 (2021/22 FINANCIAL YEAR)

Cllr Gertenbach introduced the item. He detailed the financial information contained within the report.

Cllr Dayimani indicated that the report painted a concerning picture. The current and liquidity ratios were concerning. Could the entire Capital Budget be spent before the end of the financial year? He requested clarity on payment to Eskom.

On maintenance expenditure, he commended the expenditure. Roll-overs limited the institutions capacity to gain additional funds. Rollovers and the return of funds had to be avoided.

The staff compliment over the budget was reasonable. Council had to be assured that the Capital budget would be spent. Had the Eskom debt been settled?

The Municipal Manager on Capital Expenditure and grants stated the that the two biggest projects were the upgrade of gravel roads and Hankey Waste Water.

These projects were at the height of construction and expenditure. The projects of concern was the Hankey Fresh Foods market. On the Loerie Sportsfield, the tender had come in less than budgeted for, but this was being addressed. All electricity projects were fully spent. On conditional grants, he was confident that there would be 100% expenditure. On Capital Expenditure, R12 million was spent for emergency borehole projects by the beginning of the year.

The Speaker asked CFO to comment on the Eskom account.

The CFO indicated that the account was paid and up to date.

Cllr L Maree proposed that the item be accepted and was seconded by Cllr Dhludhlu.

Cllr Dayimani asked for a division of vote on the item.

The Speaker put the matter to a vote as follows:

Cllr B Williams	In favour
Ald H Hendricks	In favour
Cllr H Bornman	In favour
Cllr D Benson	In favour
Cllr B Dhludhlu	In favour
Cllr T Jantjes	In favour
Cllr W Gertenbach	In favour
Cllr H Murray	In favour
Cllr R Foley	In favour
Cllr F Heystek	In favour
Cllr M Biko	In favour
Cllr M van Niekerk	In favour
Cllr J Alexander	In favour
Cllr L Maree	In favour
Cllr S Ruth	In favour
Cllr W van der Linde	In favour
Cllr N Ntengwane	Not in favour
Cllr M Yali	Not in favour
Cllr P Oliphant	Not in favour
Cllr N Ntshota	Not in favour

Cllr E Mbuqu	Not in favour
Cllr V Gunuza	Not in favour
Cllr M Valgee	Not in favour
Cllr K Ndzalani	Not in favour
Cllr M Dayimani	Not in favour
Cllr M Mbandana	Not in favour
Cllr L Nkilishane	Abstain
Cllr B Human	Abstain

In favour of the proposal = 16

Not in favour of the proposal = 10

Abstain = 2

That it be noted that the following Councillor was not present at the time of the vote:

- Cllr C August

That it be noted that the following Councillor was not present in the meeting: -

- Cllr V Zana

The Speaker indicated that the recommendations were therefore carried.

Resolved (31 May 2022)

1. That 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. That the monthly budget statements accordingly be submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA.
3. That the report be approved by Council as per the reporting requirements.

Proposed: L Maree

Seconded: B Dhludhlu

22/05/F2

MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) – BUDGET FOR 2022/23 TO 2024/25 FINANCIAL YEARS

Cllr Gertenbach presented the item. Treasury had initially indicated that the budget was unfunded but following engagement it was determined that it was funded.

There had been a fruitful budget workshop. Except for Property Rates and Electricity all other increases would be at 7%.

Total revenue was at R1.05 billion and R1.16 billion expenditure. Expenditure was 4.6% higher and revenue was 8.2% higher which left a deficit of R110 million, but this excluded grants.

The Capital Budget was R39.7 million. He stated that the decrease in Repairs and Maintenance was a concern.

He requested that the tariffs, item no. 22/06/F3 - 22/06/F13, be dealt with together.

Cllr Dayimani stated that on behalf of the ANC caucus it was welcomed that National Treasury had indicated that the budget was funded, and that Ward Councillors Capital Projects be budgeted at R200 000 per Councillor and that fencing of commonages and establishment of a Municipal Pound be prioritised as well.

The Executive Mayor on fencing of commonages, stated that Eden District Municipality had made a proposal for fencing a commonage in Hankey. He was engaging at IGR on the matter. It was not on budget, but engagements were underway.

The CFO on budget funding, explained that the actual assessment and Treasury assessment differed. For both the draft and final budget the Municipality did not need adjustments to be funded. The budgets were funded but there was misalignment in terms of Treasury's calculations. The funding tool accommodated municipalities that had not reached the maturity of MSCOA implementation and therefore assessment was done on a cash budget. The Municipality was beyond this stage and was utilising its financial position as well as part of the assessment. Treasury's assessment was done on a cash budget basis to accommodate the majority struggling municipalities. It was taken to Treasury to ensure that the Municipality to was funded.

The CFO on capital Ward Development Fund, said it had been included on the budget.

The Director: Community Services on the Municipal Pound stated that budget not included in the current financial year but was included the outer year.

The Speaker stated that this had to be considered during the Adjustments Budget.

Cllr Dayimani stated that the proposal was for an increase to the Capital Ward Development Fund.

The CFO stated that the budget was in accordance with policy determined by Council which indicated that there had to be an operational and capital budget of R750 000 respectively therefore the policy had to be reviewed.

The Speaker stated that the policy had to be reviewed at policy workshop.

Cllr M Yali stated that the WDF should not be tampered with in future as agreed at the Ward Councillors Forum. Was the CFO aware of this resolution?

The Speaker stated that it was raised.

The Executive supported Cllr Yali and did not believe funding for emergency interventions should not be sought from WDF.

The Speaker sought clarity on whether the recommendations had to be amended considering that the capital funding had to remain.

The CFO stated that both the capital and operating funding for the WDF was included in the budget.

Cllr Gertenbach stated that R50 000 was allocated for operational and capital expenditure respectively for each ward but did not reflect as one total of a R100 000 on the budget.

The matter was put to vote by a show of hands as follows:

In favour: 16

Not in favour: 10

The Speaker indicated that the budget was therefore adopted.

Resolved (31 May 2022)

1. That the Executive Mayor recommends that the 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 2022/23 – 2024/25 Annual Budget, as set out in the following tables:
 - 1.1 Consolidated Budget Summary [Table A1]
 - 1.2 Budgeted Financial Performance (revenue and expenditure by standard classification); [Table A2]
 - 1.3 Budgeted Financial Performance (revenue and expenditure by municipal vote); [Table A3]
 - 1.4 Budgeted Financial Performance (revenue by source and expenditure by type); [Table A4]
 - 1.5 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:
 - a. Budgeted Financial Position; [Table A6]
 - b. Budgeted Cash Flows; [Table A7]
 - c. Cash backed reserves and accumulated surplus reconciliation; [Table A8]
 - d. Asset management; [Table A9]
 - e. Basic service delivery measurement. [Table A10]

3. That the tariffs be increased as follows, with effect from 1 July 2022:

Property rates	5.25%
Water	7%
Sanitation	7%
Refuse	7%
Electricity (average increase in electricity income)	8.61%
Environmental Management Fee	7%

- a) Indicative tariffs for 2022/23 and 2023/24 will be increased as follows:

	<u>2023/24</u>	<u>2024/25</u>
Property rates	5.25%	5.25%
Water	7%	6%
Sanitation	7%	6%
Refuse	7%	6%
Electricity (average increase in electricity income)	8.61%	8.61%
Environmental Management Fee	7%	7%

- b) That the report by Provincial Treasury (Annexure D) be noted.
- c) That the Procurement Plan (Annexure E) be approved.
- d) That the mSCOA roadmap be approved.

22/05/F3

ADOPTION OF THE PROPOSED PROPERTY RATES TARIFFS FOR THE 2022/23 FINANCIAL YEAR

The Speaker indicated that there was a proposal for all the tariff items to be tabled as one.

Cllr Dayimani agreed that all tariffs be dealt with at the same time.

The matter was put to vote by a show of hands as follows:

In favour: 17

Not in favour: 11

The Speaker indicated that the tariffs were therefore approved.

Resolved (31 May 2022)

1. That the Council, in terms of Section 30(2) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended) and the Local Government: Municipal Property Rates Act, Act 6 of 2004, read in conjunction with the Local Government: Municipal Systems Act, Act 32 of 2000, the Municipality's Rating Policy and with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, and **by resolution taken by majority of its full number**, grants the following rebates for the period 1 July 2022 to 30 June 2023, in respect of the following categories and owners of properties as set out below:

Exemptions/Reductions/Rebates	Rebates for 2022/23
Exemptions, Reductions and rebates in respect of owners of categories of properties	
Public Benefit Organisations: Applications for Public Benefit organizations must reach the municipality before end October of the municipal financial year in which relief is sought. A tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act ,1962 No 58 of 1962.	
Exemptions, Reductions and rebates in respect of categories of owners of properties	
R 100 000, including the impermissible rate of R15 000, for Owners who qualify for Equitable Share.	R100 000
R 100 000 on one residential property, including the impermissible rate of R15 000, for Rate Payer 60 years and older with a gross household income not more than R15 000.00	R100 000

22/05/F4 REVISION OF FEES AND CHARGES FOR THE 2022/23 FINANCIAL YEAR: SPORTS AND RECREATION

Resolved (31 May 2022)

1. That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the fees and charges for Sports and Recreation, as reflected in **Annexure 'A'**, with effect from 1 July 2022.

22/05/F5 REVISION OF FEES AND CHARGES FOR 2022/23 FINANCIAL YEAR: NATIONAL TRAFFIC, LICENSING SERVICES AND PROTECTION SERVICES

Resolved (31 May 2022)

1. That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003 approves the fees and charges as reflected in **Annexure 'B'**, with effect from 1 July 2022.

22/05/F6

**REVISION OF FEES AND CHARGES FOR THE 2022/23 FINANCIAL YEAR:
FIRE FIGHTING SERVICES**

Resolved (31 May 2022)

1. That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government : Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the fees and charges for Fire Fighting Services as reflected in **Annexure 'C'**, with effect from 1 July 2022.

22/05/F7

REVISION OF FEES AND CHARGES FOR THE HIRING OF MUNICIPAL FACILITIES: 2022/23 FINANCIAL YEAR

Resolved (31 May 2022)

1. That the Council, by resolution taken by majority of its full number and in terms of Section 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Financial Management Act, Act 56 of 2003 approves the fees and charges for the hiring of Municipal Facilities, as reflected in **Annexure 'D'**, with effect from 1 July 2022.

22/05/F8

COMMUNITY SERVICES DIRECTORATE: REVISION OF TARIFFS, FEES AND CHARGES FOR THE 2022/23 FINANCIAL YEAR

Resolved (31 May 2022)

1. That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, adopts the proposed tariffs, fees and charges for the Community Services Directorate, reflected as reflected in **Annexure 'E'**, with effect from 1 July 2022.
2. That the Environmental management Fee be utilised as follows:
 - Coastal area (dunes, Spits, estuaries, blue flag areas, etc)

- Inland (estuaries, nature reserves, parks, open spaces, wetlands, streets etc)
- Formal and informal environmental developments – waste collection and minimisation services, health and environmental management
- Pollution control including illegal dumping, education and awareness – capacity building, air and water quality management, waste disposal and landfill management
- Any Environmental compliance requirements in line with NEMA.

22/05/F9 **PROPOSED WATER AND SANITATION TARIFF INCREASES FOR 2022/23 FINANCIAL YEAR**

Resolved (31 May 2022)

1. That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003 approves the tariffs, fees and charges in respect of Water and Sanitation Services under the control of the Municipality's Infrastructure & Engineering Directorate as reflected in **Annexure 'F'**, with effect from 1 July 2022.

22/05/F10 **ELECTRICITY TARIFF INCREASES: 2022/23 FINANCIAL YEAR**

Resolved (31 May 2022)

1. That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the fees and charges in respect of electrical services, as reflected in **Annexure 'NERSA APPLICATION'**, with effect from 1 July 2022 subject to approval by NERSA.

22/05/F11 **FEES AND CHARGES FOR ELECTRICITY SERVICES IN RESPECT OF THE 2022/23 FINANCIAL YEAR**

Resolved (31 May 2022)

1. That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the fees and charges in respect of electrical services, as reflected in **Annexure 'H'**, with effect from 1 July 2022.

22/05/F12 FINANCE DIRECTORATE: REVISION OF FEES AND CHARGES FOR THE 2022/23 FINANCIAL YEAR

Resolved (31 May 2022)

1. That the Council, **by resolution taken by majority of its full number**, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, adopts the proposed fees and charges for the Finance Directorate as reflected in **Annexure 'I'**, with effect from 1 July 2022.

22/05/F13 REVISION OF VARIOUS TARIFFS: PLANNING, DEVELOPMENT AND TOURISM FOR THE 2022/23 FINANCIAL YEAR

Resolved (31 May 2022)

1. That the Council, **by resolution taken by majority of its full number**, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the fees and charges in respect of Planning and Development, as reflected in **Annexure 'J'**, with effect from 1 July 2021.

18.2 REPORTS BY THE CHAIRPERSON: CORPORATE SERVICES

22/05/CORP1 APPOINTMENT OF NEW MEMBERS: BAD DEBT COMMITTEE

Cllr Jantjes introduced the item.

He requested that a recommendation be included which indicated that the Finance Portfolio Committees' nomination be endorsed by Council.

Cllr Bornman stated that recommendation 4.1 had to be corrected as the Municipal Manager was the Chairperson according to the policy.

Cllr Dayimani asked if each party had to submit a name.

The Speaker stated that this correct and that the submission could be made to his office within two business days.

Resolved (31 May 2022)

1. That the following members be appointed to serve on the Bad Debt Committee:

- Cllr W Gertenbach (MMC Finance)
 - 1 member of the Finance Portfolio Committee
 - A member of each political party
 - Municipal Manager (Official)- Chairperson
 - Chief Financial Officer (Official)
 - Manager: Revenue (Official)
 - Manager: Legal
2. That the Finance Portfolio Committee nominate 1 member to serve on the Bad Debt Committee.
 3. That Council endorse the nomination by the Finance Portfolio Committee on 9 June 2022.
 4. That each political party nominate 1 Councillor to serve as a member off the committee.
 5. That the Committee review the policy as and when needed.

Proposed: B Dhludhlu

Seconded: L Maree

18.3 **REPORTS BY THE CHAIRPERSON: INFRASTRUCTURE & ENGINEERING**

22/05/I&E1 RE: REALLOCATION OF FUNDS BETWEEN INTERNAL FUNDED CAPITAL PROJECTS

Cllr Maree presented the item.

Cllr Dayimani supported the item and requested that Weston Pump Station be considered as a priority. He was seconded by Cllr W van der Linde.

Resolved (31 May 2022)

1. That an amount of R 123 407.21 (Incl. Vat) from the New bypass Sewer Rising Main and Pump Station (Ukey: 20200711023341) be reallocated to the Duine-Weg Extension project (Ukey: to be created).

Proposed: M Dayimani

Seconded: W van der Linde

22/05/I&E2 RE: PROGRESS ON GRANT FUNDING (MIG, WSIG, EPWP AND MDRG) AS AT MAY 2022

Cllr Maree tabled the item.

Cllr Dayimani noted the progress report and questioned why the Disaster Relief Grant expenditure was low. The expenditure levels looked good otherwise.

The Municipal Manager stated that expenditure on the Disaster Project was looking well. Time was of the essence and the project would be completed. There was more on the table to be done but funding still had to be sourced.

Cllr Dayimani on incomplete projects such as the Hankey Fresh Market and Sea Vista, questioned whether there were plans to ensure that projects would be completed with the remaining funds?

The Municipal Manager stated that all the funds would be utilised but there was other work for which funds were required. Planning and investigation was being done in this regard and funding would be sourced as well,

On the DBSA loan, he stated that the cost estimates and quotations were underway. Potential contractors were visiting to quote on packaging plants which would allow for better quality water.

The report was unanimously accepted.

Resolved (31 May 2022)

1. That the progress report be accepted.
2. That advance payments be recovered as soon as possible.
3. That I&E monitor both the Upgrading of Hankey Sanitation and the Upgrading of Gravel Roads Projects closely to ensure the 2021/22 targets are met.

22/05/I&E3 RE-ALLOCATION OF FUNDS FOR EMERGENCY WATER PROVISION FOR DAY ZERO

Cllr Maree presented the item.

Cllr Dayimani was concerned about Ward Development Fund allocations and requested clarity. There had been reports on drought expenditure, but it was concerning that there was a lack of water tanks. Was there another vote where funds could be transferred and why had the Ward Development Fund been affected?

The Municipal Manager stated that Jojo Tanks would be crucial in the event that there would not be enough water hence the item was tabled. Should the worst-case scenario arrive then Jojo Tanks would be used.

The Deputy Municipal Manager stated in the previous year as decision was taken that Ward Development funds would be used for the drought. Thus, the capital funds were kept in abeyance for the drought.

The Speaker asked if there would be operational budget for Ward Councillors.

The Deputy Municipal Manager stated that there were no funds for the wards in the current financial year but there would be provision in the next financial year.

The matter was put to a vote by show of hands as follows:

In favour- 18

Not in favour- 10

Resolved (31 May 2022)

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 28 of the Local Government: Finance Management Act, Act 56 of 2003, approves the following proposed amendments to the 2021/2022 Operational Budget:

Project Name	2021/2022 Approved Budget (Excl. VAT)	2021/2022 Proposed Adjustments (Excl. VAT)	Increase	Decrease
Operational costs: Ward Councillors Capital project: Ukey: 20201002061447	R 750,000.00	R300,000.00		R450,000.00
Operational costs: Water Tanks Humansdorp-Drought Relief Ukey: 20220303054961	R 1,293,296.00	R 1,743,296.00	R450,000.00	

22/05/I&E4 RE: REALLOCATION OF FUNDS BETWEEN DIRECTORATES

Cllr Maree presented the item.

Cllr Dayimani supported the item.

The matter was put to a vote by show of hands as follows:

In favour- 23

The Speaker indicated that as the majority was in favour the recommendations were approved.

Resolved (31 May 2022)

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 28 of the Local Government: Finance Management Act, Act 56 of 2003, approves the following proposed amendments to the 2021/2022 Operational Budget:

Project Name	2021/2022 Approved Budget (Excl. VAT)	2021/2022 Proposed Adjustments (Excl. VAT)	Increase	Decrease
Operational costs: Achievements and awards UKEY: 20200711024524	R 750,000.00	R 210,346.36		R 539,653.64
Operational costs: Hire charges UKEY 20170702073289	R 6,750,000.00	R 7,289,653.64	R 539,653.64	
			R 539,653.64	R 539,653.64

18.4 **REPORTS BY THE CHAIRPERSON: PLANNING, DEVELOPMENT & TOURISM**

22/05/PDT1 RE: SUBDIVISION, CONSOLIDATION AND REZONING OF PORTION 8 &13 OF THE FARM DIEPRIVIER 689, HUMANSDORP

Cllr Bornman presented the item.

Cllr Ndzalani welcomed the development in his ward.

Cllr Dayimani supported the initiative.

Resolved (31 May 2022)

1. That Council endorses the proposed layout for the subdivision and rezoning of portion 8 & 13 of the Farm Dieprivier 689, Humansdorp.
2. That Council authorises submission of the application for Consolidation, Subdivision, and rezoning of portion 8&13 of the Farm Dieprivier 689, Humansdorp.
3. That a full proposal for the envisaged plot & plan allocation, including the proposed Housing plan prototypes be submitted for Council approval prior to implementation.

22/05/PDT2 IMPOSING OF MANDATORY INSTALLATION OF RAINWATER HARVESTING TANKS FOR NEW BUILDINGS IN KOUGA MUNICIPALITY IN RESPONSE TO DROUGHT

Cllr Bornman presented the item and requested that two recommendations be included which indicated: 6.4 That a time frame be introduced and that the matter be reviewed in 12 months and 6.5 That a study be conducted to track the financial implications of the requirement on water usage and the Municipality's water bill. He was seconded by Cllr Dhludhlu.

Resolved (31 May 2022)

1. That Council approves the requirement for the mandatory installation of rainwater tanks for new buildings constructed in Kouga Municipality.
2. That Council authorizes the Director: Planning, Development and Tourism to insert the following mandatory requirements for all new building plan applications:-
 - 2.1 The installation of a minimum of a rainwater harvesting system containing at least 1 (one) 5000 litre rainwater tank for all new residential, agricultural and commercial/industrial buildings with a building area of less than 500m²,
 - 2.2 and a minimum of 2 (two) 5000 litre rain water tanks for all new residential, agricultural and commercial/industrial buildings with a building area of more than 500m².
 - 2.3 a dual plumbing system, connected to the rainwater tank(s), be designed and submitted by a Competent Person as contemplated in the National Building Regulations and Building Standards Act 103 of 1977, to the applicable South African National Standards (SANS) relating to plumbing compliance.
3. That the Planning, Development and Tourism Directorate engage in public awareness programmes, including engagement with Kouga Architectural designers' Forums to ensure compliance with the

mandatory requirement for the provision of rainwater tanks for all new buildings plans to be submitted.

4. That a time frame be introduced and that the matter be reviewed in 12 months.
5. That a study be conducted to track the financial implications of the requirement on water usage and the Municipality's water bill.

Proposed: H Bornman

Seconded: B Dhludhlu

19. **CLOSURE**

The meeting closed at 12:20



B WILLIAMS
SPEAKER

25 July 2022

DATE
