

MAKANA MUNICIPALITY

**MINUTES OF THE SPECIAL COUNCIL MEETING HELD IN THE COUNCIL CHAMBER
ON FRIDAY, 22 JULY 2016 AT 09H00**

PRESENT:

Clr. N. Gaga - Executive Mayor
Clr. Y. Vara - Speaker
Clr. P. Ranchhod
Clr. J. Wells
Clr. L. Reynolds
Clr. E. Louw
Clr. N. Meti
Clr. N. Masoma
Clr. M. Madinda
Clr. L. May
Clr. X. Madyo
Clr. B. Jackson
Clr. N. Tyantsula
Clr. M. Phongolo
Clr. M. Tame
Clr. T. Ngeleza
Clr. B. Fargher
Clr. R. Plaatjie
Clr. M. Booysen
Clr. M. Gojela
Clr. B. Bonani-Sali
Clr. P. Notyawa
Clr. M. Matyumza
Clr. N. Magadaza

IN ATTENDANCE:

Acting Municipal Manager (Ms. R. Meiring)
Chief Financial Officer (Ms N. Siwahla)
Acting Dir. Corp & Shared Serv (Mr. Kalashe)
Dir: Eng & Infr. Serv. (Mr. D. Mlenzana)
Dir: Public Safety & Comm. (Mr. Planga)
Legal Manager (Mrs. Mbanjwa)
Fleet Manager (Mr. Ganza)
Acting Strategic Manager (Mr. Wali)
Manager: Expenditure (Mr. Crouse)
Act. Manager: Revenue (Ms. May)
Communications Officer (Mrs. Ramakolo)
Committee Secretary (Ms. L. Faltein)

ABSENT:

Clr. K. Jela
Clr. M. Khubalo
Mr. E. Mager – sick leave

SC 1

OPENING

The Speaker opened the meeting and welcomed everyone present in the meeting. She made the following statement:

“Good morning to the Honourable Executive Mayor, Councillor Gaga, members of the Mayoral Committee, Councillors of Makana, Officials, Media and members of the public. I welcome you all in our first Council meeting in this financial year and last Council meeting during our term.

Since I don't have any motion of sympathy and congratulations I will therefore allow the members of the Council to convey their messages.

Councillors, this is our last meeting but I believe that we have done that in the last Council meeting. Allow me to applaud the community of Makana for the support they have given to us and patience which has made my job very easy. We all know that both me and the Executive Mayor came in less than a year. At this point I thank our main stakeholder for not getting violent and aggressive when trying to resolve issues. I would also like to thank the Executive Mayor for her leadership and her support when I came in the office. I would like to thank the acting Municipal Manager, Ms. Meiring for her support since we came in office and the hard work that you have in the Administration. The light just kept on glowing bigger.

Fellow Councillors, thank you for ensuring that we steer this ship together. I know it was not an easy exercise but a job well done. If our Council was in a good state financially, I would request the acting Municipal Manager to award each Councillor for a job well done for their dedication. We have recently hosted the National Arts Festival. The Festival itself was a success and I can't stress more than enough the importance of working with the Tourism industry and other relevant stakeholders to make the National Arts Festival bigger than it was. Councillors, welcome to the meeting".

SC 2

STATEMENT BY THE EXECUTIVE MAYOR

The Executive Mayor opened the meeting and welcomed everyone. She made the following statement:

- "Madam Speaker Cllr Vara
- Chief Whip of the ruling party ANC
- Cllrs present
- Acting Municipal Manager
- Senior Managers
- Management and staff
- Members of the community

Good Morning

Let me first express my utmost gratitude to my organisation, the ANC and the fellow Councillors present who had put your trust in me and saw the potential I have.

Madam Speaker, we have just come from Tata Mandela' day where people around the world spared 67 minutes of their time helping others – One minute for every year of Mr. Mandela's public services – people making gestures of solidarity with humanity – Madida has fought for justice (social) for 67 years, and us only asked to start with 67 minutes. Makana in co-operation with Joza Police, I devoted their 67 minutes at Mginywa Crèche in Ward 10.

Madam speaker today is our last Council meeting, and our term ends on the 3rd of August 2016. The Political office bearers have a responsibility to provide the leadership for the period of 5 years. It is therefore expected that at the end of term of office a report should be done which will serve as a handover report to the incoming Councillors.

Madam Speaker, Makana Municipality has been faced with Political and Administration challenges during 2012 and 2014. Among those:

- Poor revenue collection leading to asset attachments and capital projects put on hold, non-payment of Eskom bulk electricity account
- Inability to meet basic service provision
- Basic Service Provision
- Loss of grant funding
- Water outages
- Water outages due to aging Infrastructure
- Disclaimer since 2003 and staff capacity
- Inability to appoint critical positions i.e. Municipal Manager, CFO, Technical Director, IDP/PMS Manager, Legal Manager
- Performance Management System not implemented.

The Council resolved to seek assistance from MEC Cogta and the Municipality was placed under Section 139 (1b) in October 2014, and two Administrators appointed between 2014 – 2016.

In August 2015, the Executive Mayor and Speaker resigned and the new executive Mayor and the Speaker elected. To deal with challenges the Troika, MM and the latter Administrator took a resolution to focus first on the municipal internal matters i.e. Policies Strategies, Plans, Systems, Service Delivery issues, Municipal Litigations and later external issues i.e. engagement with stakeholders and the community of Makana through public participation and back to basics.

Although the financial recovery plan had been developed, the Administration focus areas were more on soft issues and the revenue enhancement and collection strategies were only vigorously implemented in January 2016.

In July this year a close out report, which is part of today agenda, was to be presented by the Administrator, Mayoral Committee Members, Troika, Section 56/7 officials, Cogta National and Provincial. It initials challenges faced by the Municipality before and during the intervention, the status quo and the exit plan were going to be part of the presentation.

The report has been presented to the Provincial Cabinet / Exco and pulling out in terms of section 139 (1b) and support Makana in terms of Section 154, but the resolution will only come after their next sitting where they will be confirming their minutes of the previous meeting.

Madam Speaker I proposed that we use this close out report of the Administrator as a handover report for the incoming Council.

Other issues for Consideration:

To curb littering and illegal dumping, discussions are underway between Makana, Sarah Baartman Development Agency and Blue Crane Green Energy to explore the feasibility of a Biomass Renewable Energy Plant in Makana. This project will involve taking Biomass from invasive alien plant species, household and medical waste and combusting it in such a way that it produces energy that can be converted into electricity. This project could produce more than hundred indirect and direct jobs. Land will be needed to establish a plant which will process all municipal waste. This means that the existing municipal landfill sites could be closed and the compliance issues will no longer be a problem. A Technical Team has been established and an item will be tabled to the incoming Council.

- Makana is Semi rural. The Municipality through LED must formalise interaction between Rural Development to assist communities during the land claim process.
- Awareness campaign against infrastructure vandalism/sabotage
- Investigation on complaints about irregularities in the assignment of houses in the newly – completed Mayfield (Extension 10) housing project be finalised.

Madam Speaker let me have this opportunity to thank the community of Makana for their support during difficult times in Makana (Water outages during National Arts Festival) especially the JOC, stakeholders of Makana, Taxi Association, Sport, Ministers Fraternal, Business, SAMWU/MKMVA, and Grahamstown Rates Payers, Media especially our Local Grocotts Papers, Radio Grahamstown, Sector Departments, SAMWU and IMATU Unions, AMM, Directors, Managers, Supervisors, Foremen, General Worker, CDW's, Ward Committee Members, My Office, Troika, Mayoral Committee Members, Councillors - especially those with long services - Cllr Wells and Cllr Reynolds.

To the incoming Council and Administration there is no going backwards. People must move from strength to strength to accomplish the goal of putting Makana on the map.

SC 3

OFFICIAL ANNOUNCEMENTS BY THE ACTING MUNICIPAL MANAGER (MM)

The acting Municipal Manager stated the following:

- a) Bid farewell to old (Councillors) faces, after 3 August 2016 there will be new faces and old faces. As the acting Municipal Manager she has enjoyed working with the outgoing leadership.
- b) Every outgoing Councillors should feel free in passing to the office and hope they will have a fruitful future.

SC 4

APPLICATIONS FOR LEAVE OF ABSENCE (WRITTEN APOLOGIES)

Nil.

SC 5

DISCLOSURES OF INTEREST (BY ANY MEMBER ON ANY ITEM THAT FORMS PART OF THE AGENDA)

Nil.

SC 7

REPORTS BY THE ACTING MUNICIPAL MANAGER (AS PER AGENDA)

SC 7.1

TERMINATION OF SECTION 139 (1) (b)

CONSIDERED:

Report dated 17 July 2016 from the acting Municipal Manager.

The Council **NOTED:**

- a) The submission from the South African Municipal Workers Union (SAMWU) regarding the termination of Section 139(1)(b).
- b) The Council at its meeting held on 24 June 2016 resolved that the Municipal Manager and Director: Corporate and Shared Services posts be advertised as a matter of urgency.
- c) On page 9 the word “debtors” be corrected to “creditors”.

The Council **RESOLVED:**

- a) THAT the termination of Section 139 (1) (b) and the final report on the Section 139(1)(b) intervention and the Exit Strategy with all its recommendations be supported.
- b) THAT the Council support the recommendation to maintain Section 154 which speaks to the support to the Council.

SC 7.2

REPORT ON THE FORENSIC AUDIT UNDERTAKEN ON THE PAYROLL

CONSIDERED:

Report dated 17 July 2016 from the acting Municipal Manager.

The Council **NOTED:**

- a) All contract workers have been removed from PAYDAY as they were permanently employed.
- b) Only two staff members have not verified themselves and will not get paid on the 25th July 2016 until they have verified.
- c) All contract workers that in future would be employment will require the final approval from the office of the acting Municipal Manager.
- d) The IT3A matter with SARS has not been implemented and the acting Municipal Manager will make a follow up.

The Council **RESOLVED:**

- a) THAT the implementation plan to remedy the findings of the forensic audit be APPROVED.
- b) THAT acting Municipal Manager implements the recommendations of the forensic audit report and consult the Legal Manager when executing the implementation of the forensic audit.

SC 7.3

BRIDGING FINANCE

CONSIDERED:

Report dated 17 July 2016 from the acting Municipal Manager.

The Council **NOTED:**

- a) On page 85 the word “Provincial” be corrected to “Presidential”.
- b) There has not been any report back from the PICC.

The Council **RESOLVED** THAT the Council request the Presidential Infrastructure Coordinating Committee (PICC) to assist in leveraging bridging finance to cover the Eskom account (R35.5 million) and the Department of Water Services (DWS) account for raw water estimated at R22 million.

SC 7.4

SALARY AND WAGE INCREASE – 2016/17

CONSIDERED:

Report dated 15 July 2016 from the acting Municipal Manager.

The Council **NOTED:**

- a) The item is submitted to Council because there is no Council Resolution for the implementation of salary increase for the 2016/17 financial year.
- b) Salaries will be deposited on the 25 July 2016 with the salary increase of 6%.

The Council **RESOLVED:**

- a) THAT a salary increase of 6% according to the Bargaining Council salary and wage increment for the period 2016 /2017 and 2017/2018 be APPROVED.
- b) THAT any benefit or condition of service as stipulated in clause 6.6 of the Collective Agreement be increased by the same rate of 6%.
- c) THAT the minimum wage as stipulated in clause 7.2 of the Collective Agreement be increased by the same rate of 6% to Six Thousand Three Hundred and Seventy Five Rand comma Eighty Three Cents (R6375.83), with effect from 01 July 2016.
- d) THAT in respect of the medical aid subsidy, the maximum employer contribution to an employee's accredited medical scheme as set out in clause 8.1.1 of the Collective Agreement shall remain unchanged at R3781.00. However the medical aid subsidy of employees receiving an employer contribution of less than R 3781.00 shall, in terms of clause 8.1.2 of the collective Agreement and with effect from 01 July 2016, increase by 3% provided that such increase shall not exceed the maximum employer contribution of R3781.00.
- e) THAT the flat rate home owner's allowance, in terms of clause 10.1.1.2 of the Collective Agreement, be increased by 6 % to R742.00 with effect from 1 July 2016.

SC 7.5

PRIOR YEAR INVENTORY TO BE WRITTEN OFF

CONSIDERED:

Report dated 22 July 2016 from the acting Municipal Manager.

The Council **NOTED** the errors in the item.

The Council **RESOLVED:**

- a) THAT the item be withdrawn and be submitted to the next Council meeting with correct and full information.
- b) THAT a Special Council meeting be organized before end August 2016 for all these items to be discussed before the audit.

SC 7.6

REPORT ON PROGRESS IN IMPLEMENTATION OF THE KABUSO INTERNAL AUDIT INVESTIGATION REPORT

CONSIDERED:

Report dated 19 July 2016 from the acting Municipal Manager.

The Council **NOTED:**

- a) The Committee was served by the late Councillor Kolisi.
- b) Councillor Louw gave the background of the report as the Secretary of the Kabuso Internal Audit Committee.
- c) Ms. N. Santi has arranged with the Council to pay back an amount of R40 909.00.
- d) Annexures should be included in the report when it is submitted to the next Council meeting.

The Council **RESOLVED**:

- a) THAT the recommendations to Council submitted by Kabuso Internal Audit Investigation Committee be SUPPORTED.
- b) THAT the Council seek legal advice on how to deal with former deployees and the instigation of disciplinary proceedings against those still in government institutions.

SC 7.7

EMPLOYMENT CONTRACT FOR EMPLOYEES OF MAKANA MUNICIPALITY

CONSIDERED:

Report dated 22 July 2016 from the acting Municipal Manager.

The Council **NOTED** the special Local Labour Forum set on 20 July 2016 and an agreement was reached on the item.

The Council **RESOLVED** THAT the employment contract for Makana Municipality employees be ADOPTED.

SC 7.8

DISPOSAL OF ELECTRICAL INVENTORY ITEMS

CONSIDERED:

Report dated 22 July 2016 from the acting Municipal Manager.

The Council **NOTED** the item has been distributed during the meeting and the Councillors did not have enough time to interrogate the item.

The Council **RESOLVED** THAT the item be withdrawn and be submitted with full information to the next Special Council meeting.

SC 9

CLOSURE

The Speaker thanked everyone who attended and participated in the meeting and made the following statement:

“As you all know that I have been deployed for short time. During my stay in Makana I have experienced many things. There are challenges in the office of the Speaker. We have tried to

develop strategies in addressing those challenges but I will be misleading the Council if I say we have addressed all challenges. We have tried to address all the gaps that were there. Back to Basics is been implemented by the institution and I think that is what is important. I would like to plea to our Constituencies to take stock to the Municipality and the Municipality should deliver quality services to the community. The report was submitted by the Administrator.

There are lots of challenges with Ward Committees and with how the Ward Councillors are operating and the machinery for Councillors to do their work etc. I want to believe that those challenges will be addressed as time goes on. The most challenging is non-cooperation from Councillors. I know we are the leadership of this institution but I think it very important to have performance assessment for Councillors because our participation is very minimal. I am not sure whether it is because of this period because this period started last year October when I came in. The office of the Speaker if performing as it is expected to perform but there are challenges.

Executive Mayor maybe you have something that you like to add but you won't be giving a hand over report as you have proposed that you take the handover report from the Administrator. Councillors the office of the Speaker is waiting outside for the Councillors to hand in the tools of trade (the property of the institution) that need to be returned. Councillors we are deployed here by our organizations to perform many tasks. One of those tasks is to serve the people of Makana with dignity and respect and you have done that. The mere fact that you are here now and having this last meeting in peace means that you have achieved what was to be achieved. Acting MM and the Officials the work shall continue. You shall continue serving the people of Makana. We won't be around, Councillors I would like you to declare that the Council is on recess and let us not forget that we are Councillors until 3 August 2016. I would like to invite the Councillors for lunch at 12:00 at the City Hall. Acting MM you are also invited with your team to come and join us. Councillors let us take serious the issue of returning the tools of trade. I am not talking about the Mayoral Committee and the Executive Mayor because they will not be on recess but they will be here until month end. I would also be available for Council work.

With those words I declare the Council meeting closed.”

The meeting terminated at 11:25

SPEAKER

DATE