

MAKANA MUNICIPALITY

**MINUTES OF THE SPECIAL COUNCIL MEETING HELD IN THE COUNCIL CHAMBER
ON FRIDAY, 29 JANUARY 2016 AT 09H00**

PRESENT:

Clr. N. Gaga - Executive Mayor
Clr. P. Ranchhod
Clr. J. Wells
Clr. L. Reynolds
Clr. E. Louw
Clr. N. Meti
Clr. K. Jela
Clr. M. Madinda
Clr. L. May
Clr. X. Madyo
Clr. B. Jackson
Clr. N. Tyantsula
Clr. M. Khubalo
Clr. M. Tame
Clr. V. Kolisi
Clr. N. Masoma
Clr. M. Phongolo
Clr. T. Ngeleza
Clr. B. Fargher
Clr. R. Plaatjie
Clr. M. Booysen

IN ATTENDANCE:

Acting Municipal Manager (Ms. R. Meiring)
Acting CFO (Mr. Crouse)
Acting Director Corp Serv: (Mr. Mager)
Acting Dir.: Eng & Infr. Serv. (Mr. D. Mlenzana)
Dir: Public Safety & Comm. (Mr. Planga)
Legal Manager (Mrs. Mbanjwa)
Fleet Manager (Mr. Ganza)
Manager: Special Progr. Unit (Mr. Wali)
Manager: Riebeeck East (Ms. Kulati)
Operations Manager: Soc. Serv. (Mr. Smayile)
Communications Officer (Mrs. Ramakolo)
Audit Committee Chairperson (Mrs. T. Mnqeta)
Manager: Speaker's Office (Ms. Santi)
Committees (Ms. L. Faltein)

ABSENT:

Clr. M. Gojela
Clr. B. Bonani-Sali
Clr. P. Notyawa

SC 1

OPENING

The acting Speaker, Councillor Phongolo, welcomed everyone in the meeting and asked Councillor Booysen to open with prayer.

SC 2

STATEMENT BY THE EXECUTIVE MAYOR

The Executive Mayor opened the meeting and made the following statement:

- “Acting Speaker, Cllr Phongolo
- Mayoral Committee members
- Fellow Councillors
- Chief Whip of the ruling party, Cllr J Wells
- Whip of the opposition party
- Acting Municipal Manager
- Delegation of the AG Office led by Senior Manager Mrs Feziwe Mdazana-Beyi
- Chairperson of the Audit Committee Ms. Tembela Mngqetha
- All Directors and Acting Directors
- Ladies and gentlemen,

Greetings to you all to this Special Council Meeting that will be tabling the mid-year budget and performance reports.

Acting Speaker, in terms of Section 72 (1)a and 52(d) of the Local Government Municipality Finance Management Act (MFMA) the Accounting Officer must by the 25th of January assess the performance of the Municipality during the first half of the financial year of each year. A report on such an assessment must be in terms of Section 72 (1b) of the MFMA be submitted to the Mayor, Provincial and National Treasury.

Such report has been submitted to me in a formal meeting we had with Acting Municipal Manager, Acting CFO and other Directors on the 15th of January 2016.

Once the Mayor has considered the report, it must be submitted to the Council by the 31st of January in terms of Section 54 and this is what we are doing today.

The mid-year reveals financial and sustainability challenges. Unrealistic budget has had a negative impact on the current Financial Status of the municipality.

Our SDBIP indications are that 46% of performance against outputs and goals of service delivery and budget implementation are lagging behind for various reasons i.e funding constraints. Portfolio Committees must perform oversight role, and take necessary steps to ensure that low achieving areas are brought back on track.

Acting Speaker, this municipality has faced so many challenges among those are:

1.1 Cash flow management

The income generated barely covers expenditure. The rate of income is 72% and the steps were taken to enhance income generation. An analysis of the debtors is as follows:

- Staff owes the municipality R400 000. Letters were issued to all staff members (25 January 2016) owing the municipality to inform them that they should repay their debt within 3 months, in line with the Systems Act
- Business owes R50 million. Discussions are underway with Grahamstown Business Forum to address this issue
- Residents R285 million. Revco was appointed to assist with collections and an analysis of debtors are being undertaken to determine if there is any of this debt that could be written off.
- Government departments are current except Education

1.2 Appointments

- The Director : Technical and Infrastructural Services will assume duty on 01/02/2016
- The applications for the CFO position closed on 28/01/2016. It is anticipated that the CFO will be appointed by March/April
- Litigation – Municipal Manager’s post
- Suspension - Director Corporate

We have also had some great achievements in terms of:

1. Stability

There is a general feeling of stability in the municipality, despite funding shortage and the fact that the Municipal Manager’s position is not filled yet. Council meetings are sitting regularly, the Audit Committee is meeting, senior management and extended management meetings are taking place and a culture of discipline is promoted.

2. Performance Evaluation

For the first time in six years, performance evaluation of Section 56 and 57 managers commenced. The first quarter assessment was done in December and the second quarter evaluation is scheduled for 3rd and 9th February 2016.

The Performance Management System is activated and will be in use in February.

3. Organogram

The final session to conclude the organogram is taking place on 4/02/2016 and will be presented at a Council meeting in March.

4. Water Demand

Mayfield Waste Water Treatment Works: The Department of Water & Sanitation (DWS) approved R69 million from RBIG funding to upgrade the plant. The project is at a Detailed Design stage and the next step is procurement.

James Kleinhans Water Project: DWS approved R101.85 million (RBIG). The project is estimated to cost R93 million over a 3 Year Financial period. Amatola Water was appointed as an Implementing Agent and the Design stage is 50% complete.

5. MIG Funding

The R19 million roll-over from 2014/15 financial year was expended in full. R23 million was granted for the 2015/16 financial year. Procurement of some of the projects commenced and the gazetting of the grant is still outstanding.

6. The Employment Equity Plan

The municipality has submitted its EE Plan for the first time in many years.

7. Audit Opinion

As presented by the AG, the municipality has received a Qualified Audit opinion. Let us strive for an Unqualified Audit Opinion in this 2015/16 financial year.

8. Clean City

A clean-up campaign was launched by the Creative City initiative that is being driven by the Municipality and the National Arts Foundation whereby business and the community supports and take part to clean the city. The initiative includes the following:

- Installation of dustbins in the CBD
- General cleaning
- Pavements
- Employing cleaners
- Cleaning up of building in poor state of repair
- The principal of Nombulelo High School has taken on, with her own learners, surgical gloves to adopt the areas just in front of and behind the school
- Division of Infrastructure and Operations at Rhodes University agreed to paint the Drodsty Arch.
- Grocott's Mail is cleaning up the side walk in High Street from outside Grocotts to the end of the court building and the centre island in front of Grocotts (on daily basis). The garden on the island in High Street is to be tackled once they have plants

- Various streets in Grahamstown are being cleaned.

9. Wi-Fi Connectivity in Grahamstown

A Memorandum of Understanding was entered into between the municipality and Rhodes University. One of the issues to be addressed according to the MOU is Wi-fi connectivity for the Grahamstown community, especially the disadvantaged areas. A working group is working on rolling this out.

10. Revenue Enhancement

Revenue enhancement is of utmost importance to the municipality. A revenue enhancement committee consisting of every directorate and section involved in collecting revenue was established. Revco, the company appointed to assist with revenue also serves on this committee. At the first meeting, issues like the installment of prepaid meters, processes and systems that must be put in place to facilitate income generation was already addressed. SALGA has offered training to the debtor's section and the reading of meters will be addressed.

Acting Speaker, I am happy to report that we are making strides in revenue enhancement committee which has been established in December 2015, but we will not make an impact if Council doesn't consider the filling in of posts according to new proposed organogram for Supply Chain Management and Internal Audit units.

Acting Speaker and fellow Cllrs, we must therefore dedicate this year, among other things, to:

- Year of unqualified audit
- Year of revenue enhancement
- Year of consequence management
- Year of clean town

All this will be done through officials creating a culture of performance.

Acting Speaker these reports are preparing the Council for the Budget Adjustment meeting which should take place before 29th February 2016."

SC 3

OFFICIAL ANNOUNCEMENTS BY THE ADMINISTRATOR

Nil

SC 4

OFFICIAL ANNOUNCEMENTS BY THE ACTING MUNICIPAL MANAGER (MM)

- a) The acting MM told the meeting that Madam Speaker is off sick and an acting Speaker should be elected in the meeting.
- b) She reported that Councillor Phongolo has resigned as the MPAC Chairperson and Councillor Khubalo has resigned as a representative of Sarah Baartman District Councillor.
- c) The acting MM introduced Mrs. T. Mnqeta, the Chairperson of the Audit Committee.

The Council **RESOLVED:**

- a) THAT Councillor M. Tame be elected as the Chairperson of Municipal Public Accounts Committee (MPAC).
- b) THAT Councillor M. Phongolo be elected as Council's representative on the Council of Sarah Baartman District Municipality.

SC 5

ANY PRESENTATION BY OUTSIDE BODIES

SC 5.1

Office of the Auditor General. The Council **NOTED:**

- a) An action Plan for the Auditor General's report will be finalise by April 2016.
- b) Audit Committee meeting did play a vital role by sitting and making recommendations to assist the Municipality.
- c) A commitment from the Executive Mayor, seconded staff from COGTA and Management in terms of providing information requested by the Office of the Auditor General did assist in the process.

SC 5.2

AUDIT COMMITTEE REPORT BY THE CHAIRPERSON OF THE AUDIT COMMITTEE (MRS. T. MNQETA).

The Council **NOTED**:

- a) The Internal Audit office need to be capacitated by employing more staff members.
- b) On the 11 February 2016 there will be interviews for the post of the Chief Financial Officer.
- c) There is improvement in preventing litigations in the institution.
- d) Improvement on Supply Chain controls.
- e) The Risk Register has been finalized.

SC 6

APPLICATIONS FOR LEAVE OF ABSENCE (WRITTEN APOLOGIES)

- a) Councillor Vara – sick leave
- b) Councillor Matyumza

SC 7

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

Nil.

SC 8

REPORTS BY THE ACTING MUNICIPAL MANAGER (AS PER AGENDA)

SC 8.1

MID – TERM PERFORMANCE REPORT

CONSIDERED:

Report dated 22 January 2016 from the acting Municipal Manager.

The Council **NOTED:**

- a) The Managers has reviewed their SDBIP's and will submit them to the Portfolio Committee meeting before submitting to Mayoral Committee and Council meetings.
- b) The SDBIP submitted by the acting Municipal Manager is general and not reflect what Makana Municipality wants to achieve.
- c) 44% of the targets in the SDBIP has not been met.
- d) Consequence management should be implemented both to Management and Contractors.
- e) The "not achieved" column should be inserted in the SDBIP.

The Council **RESOLVED:**

- a) THAT the Mid-In Year performance assessment report of 2015/16 financial year be APPROVED.
- b) THAT the Municipal Manager REVIEW SDBIP Key Performance Indicators and targets to improve performance.
- c) THAT the Executive Mayor REVIEW and approved the revised SDBIP 2015/16 financial year to ensure is in line with Adjustment budget.

SC 8.2

QUARTER 1 PERFORMANCE ASSESSMENT REPORT

CONSIDERED:

Report dated 22 January 2016 from the acting Municipal Manager.

The Council **NOTED:**

- a) Director Technical and Infrastructural Services to be corrected to acting Director: Technical and Infrastructural Services.
- b) The name of Director: Local Economic Development and acting Municipal Manager should be included in the list of the Directors reviewed.
- c) The acting Director: Corporate and Shared Services was on sick leave when the evaluation was conducted. The review for acting Director: Corporate and Shared Services will be done late and be submitted in the next meeting.
- d) Portfolio of Evidence (POE's) will be submitted in the second quarter.

The Council **RESOLVED** THAT the Performance Reviews of Section 56 officials for the first quarter be APPROVED.

SC 8.3

SECOND QUARTER PERFORMANCE REPORT

CONSIDERED:

Report dated 22 January 2016 from the acting Municipal Manager.

The Council **RESOLVED** THAT the Second quarter performance report 2015/16 financial year be APPROVED.

SC 8.4

MEC COMMENTS ON THE FINAL IDP 2015/16 REVIEW: ASSESSMENT UNDERTAKEN IN 2015 – MAKANA LOCAL MUNICIPALITY

CONSIDERED:

Report dated 05 January 2016 from the acting Municipal Manager.

The Council **RESOLVED**:

- a) THAT the MEC's comments and issues highlighted by the MEC be ENDORSED.
- b) THAT the gaps identified in the comments by the MEC be addressed.

SC 8.5

REPORT ON THE STATUTORY SUBMISSION OF THE EMPLOYMENT EQUITY PLAN
REPORT IN TERMS OF SECTION 21 OF THE EMPLOYMENT EQUITY ACT

CONSIDERED:

Report dated 15 January 2016 from the acting Municipal Manager.

The Council **NOTED**:

- a) The statutory submission of the Employment Equity Plan report for 2014/15 period.
- b) The Municipality should consider employing more disabled persons.

The Council **RESOLVED** THAT an analysis of the implementation of the plan for the first quarter be undertaken.

SC 6.6

REPORT ON THE ESTABLISHMENT OF THE EMPLOYMENT EQUITY PLAN FOR 2016 -
2020

CONSIDERED:

Report dated 15 January 2016 from the acting Municipal Manager.

The Council **NOTED** the Employment Equity Plan for 2016 – 2020.

The Council **RESOLVED**:

- a) THAT the workshop be organized for the internal stakeholder on the Employment Equity Plan.

- b) THAT any amendments or corrections picked up by the Councillors in the Employment Equity Plan be submitted to the Human Resources Manager's office not later than thirty (30) days from the date of the meeting.

SC 8.7

MID-YEAR BUDGET AND PERFORMANCE REPORT

CONSIDERED:

Report dated 29 January 2016 from the acting Municipal Manager.

The Council **RESOLVED:**

- a) THAT the Mid-Year Budget and Performance Assessment report for the 2015/16 financial year in terms of S72 of the MFMA and the supporting documentation attached as Annexures be APPROVED.
- b) THAT an adjustment budget be tabled to Council not later than 28 February 2016, taking into account the following:
- i. The appropriation of any additional revenue received during the current financial year.
 - ii. Any unforeseeable and unavoidable expenditure that has been incurred in the current financial year and approved by the Executive Mayor.
 - iii. Adjustments to the Operating and Capital budget for virements and transfer of funding

SC 9

CLOSURE

The acting Speaker thanked everyone who attended and participated in the meeting.

The meeting terminated at 11:35

SPEAKER

DATE