

ENDUMENI MUNICIPALITY

MINUTES of a SPECIAL MEETING of the ENDUMENI TOWN COUNCIL held in the COUNCIL CHAMBER, CIVIC CENTRE, 64 VICTORIA STREET, DUNDEE on WEDNESDAY, 15 DECEMBER 2010 at 13h20

PRESENT:

Councillors:

Cllr T B Mkhize	(Speaker - Chairman)
Cllr Ms W N Mbatha	Mayor
Cllr A M Raubenheimer	Deputy Mayor
Cllr E M Adam	
Cllr P M Bisram	
Cllr S E Ndim	
Cllr Ms P J B Ngobese	
Cllr Ms D P Nkosi	
Cllr D Singh	
Cllr Ms J A Tshabalala	

In Attendance:

Mr J B Maltman	Acting Municipal Manager
Mr C J Carelse	Acting Manager Technical Services
Mr G Esterhuizen	Senior Financial Officer
Mr A J van Wyk	Senior Manager: Corporate Services



C 01/12/2010

Opening

As Cllr Ms J A Tshabalala opened the Special Exco Meeting with prayer prior to this meeting, the meeting was declared open.



C 02/12/2010

Applications for Leave of Absence

RESOLVED

THAT the apologies received from Cllr A M Mthembu and Cllr Ms R T Nukani be noted



C 03/12/2010

**Official Announcements by Speaker/Chairperson
/Municipal Manager**

The Speaker thanked Councillors for switching off their cell phones.

He further advised that he was not timeously notified of this meeting and that he had to leave from Richards Bay at 05h00 to be in time to attend the meeting.

He requested that he be consulted in future when a meeting is being arranged.



C 04/12/2010

Confirmation of Minutes

Nil



C 05/12/2010

Questions Of Which Notice Has Been Given

Nil



C 06/12/2010 **Reports Of The Executive Committee To The Council**

Nil



C 07/12/2010 **Petitions**

Nil



C 08/12/2010 **Motions**

Nil



C 09/12/2010 **Presentation**

Nil



Part C

MATTERS REFERRED TO COUNCIL FOR CONSIDERATION

C 01/15/12/10 TRANSFER OF MUNICIPAL PERSONAL HEALTH SERVICES TO THE PROVINCIAL DEPARTMENT OF HEALTH (P3/16)

RESOLVED

THAT

1. Council resolution C 09/15/11/10 dated 29 November 2010 be rescinded, and replaced with the following:
2. It being noted that the transfer of personal health services (clinics) and associated staff complement to the Kwazulu-Natal Department of Health is currently being negotiated, and is scheduled to be finalised in due course;
3. It being noted that the Kwazulu-Natal Department of Health has expressed its desire to lease from the Council the buildings currently housing the municipal clinics, located upon the following immovable properties registered in ownership of the Endumeni Municipality:
 - 3.1 Empathe Clinic - Remainder of Erf 1370, Dundee;
 - 3.2 Sakhimpilo Clinic - Erf 1341, Sibongile;
 - 3.3 Glenridge Clinic - Portion 3 of 1 of Erf 694, Glencoe;
 - 3.4 Siphimpilo Clinic - Erf 645, Sithembile;
4. It being noted that the said Department has requested that Council consider a nominal rental to be charged on the lease of such buildings as three of the buildings, with the exception of the Glenridge Clinic, had historically been built with grant funding received from the erst while Department of National Health and Population Development's Central Economic Advisory Services (C.E.A.S.):
5. It being noted that the Council's valuers has expressed an opinion on the current estimated fair monthly market related rental values of the buildings (exclusive of 14% VAT and service charges, but inclusive of property rates), in a report dated 8 November 2010, as being:

5.1	Empathe Clinic	-	R14 400.00;
5.2	Sakhimpilo Clinic	-	R 8 900.00;
5.3	Glenridge Clinic	-	R13 975.00;
5.4	Siphimpilo Clinic	-	R 3 015.00;

6. In view of the contents of Section 14 (6) of the Municipal Finance Management Act No 56 of 2003 read with section 40(3)(d) of the Council's Supply Chain Management Policy, the said buildings housing the municipal clinics be leased to the Kwazulu-Natal Department of Health at a rate of thirty percent (30%) of the current estimated fair monthly market related rental values of the buildings as determined by the Council's valuers, excluding 14% Value Added Tax (VAT), for two years and subject to the following:

- 6.1 an annual escalation in the rental due equal to the Consumer Price Index (CPI) as determined in the month before the adjustment date;
- 6.2 due to the difficulties in determining separate property rates on these individual buildings as a result of them being located upon immovable property of the Endumeni Municipality, no property rates be separately levied on these buildings so leased to the Department, as it is accepted that the estimated fair monthly market related rental as determined by the valuers is inclusive of property rates due ;
- 6.3 the Department be responsible for all future maintenance on the buildings at their own cost;
- 6.4 accounts for consumer services rendered to the buildings be for the cost of the Department;
- 6.5 the store room utilized for the storage of clinic material, being approximately 4m² in extent and located at the undercover parking shelters at the Dundee Civic Centre, not be included in the rental of the building housing the Empathe Clinic, and that same be vacated upon the date of transfer of the health services from the Municipality to the Department;
- 6.6 that office number 86 in the Dundee Civic Centre and the covered parking space, currently utilised by the Primary Health Care Services Manager in the employ of the Endumeni Municipality, be vacated by the said incumbent upon transfer of the personal health services and associated staff complement to the Kwazulu-Natal Department of Health, as the office space is to be utilized internally;

7. The pro-forma lease agreement, as enclosed with the agenda of the meeting of the Council held on 29 November 2010, be approved as lease agreement in respect of the buildings so to be leased to the Kwazulu-Natal Department of Health;
8. The Acting/Municipal Manager be authorised to sign the lease agreement in respect of the buildings so to be leased to the Kwazulu-Natal Department of Health, as well as the transfer agreement giving effect to the transfer of the staff and municipal personal health services to the Kwazulu-Natal Department of Health, upon a date to be mutually agreed upon by the parties involved in the negotiations on the transfer.



C 02/15/12/10

**JOINT EXCO/ENDUMENI AUDIT COMMITTEE
MEETING TO DISCUSS AUDIT REPORT AND
MANAGEMENT LETTER 2009/2010** (A8/4)

Material Electricity Losses

RESOLVED

THAT

1. The Council commit to recoup the majority of the losses incurred on the electrical network;
2. A Notice be placed in the Local newspaper confirming the following:
 - 2.1 Inspections by an appointed contractor will take place to identify illegal connections and tampered metres/equipment;
 - 2.2 Residents must grant access to the contractors to perform inspections;
 - 2.3 The contractor has been instructed by the Council to switch off the power if access to the property is denied;
 - 2.4 The contractor be instructed to proceed with inspection disconnections and reconnections of consumers and to submit weekly reports on the results found;
 - 2.5 The Acting/Municipal Manager be authorised to expand on the scope of Mr Van Wyk original appointment made in terms of resolution no B 03/28/07/04 on a time basis to oversee the project and that he report to the Council on a monthly basis;

- 2.6 The 50:50 policy of the Council not be implemented between 17 December 2010 to 10 January 2011 on the same basis as previously approved;
- 2.7 It be recorded that the office of the Auditor General and Gobodo (Pty)(ltd) apologised for not attending this meeting.

Goods and Services Procured in Contravention of Regulation 32

RESOLVED

THAT the Chief Financial Officer submit a report together with documents as evidence of compliance with regulation 32 of the Municipal Supply Chain Regulations for a contract that was procured with PricewaterhouseCoopers in May 2010 in the amount of R1.321 Million to a joint meeting of Exco and the Audit Committee to be held on 21 February 2011.

Reported Indicators Not Reliable and Not Verifiable

RESOLVED

THAT the Executive Manager Corporate Services convene a Sub Committee Meeting consisting of Messers M Donaldson, M Ndlovu, P Mc Fadden and N Rajkumar to develop and recommend new system controls . In respect of the items mentioned on pages 12 & 13 (items 2 & 3) of the Management Report and report to the joint Exco and Executive Committee Meeting to be held on 21 February 2011

Audit Committee Not Effective

RESOLVED

THAT the Chief Financial Officer be authorised procure case ware soft ware via SCM policy and report on the implementation thereof and furthermore highlight any additional staff and training requirements to the joint Exco and Audit Committee to be held on the 21 February 2011.

Movable and Immovable Assets

RESOLVED

THAT

1. A Committee consisting of the Chief Financial Officer , Messrs C Wait, R Naidoo, D Giles and Mr N Rajkumar be appointed and that a report on the progress made with the assets register and GRAP17 compliance per Proposal No 89/2010 be submitted to the joint meeting of Exco and Audit Committee to be held on 21 February 2011;
2. Authority be given to purchase 4 scanners to scan barcodes and Chief Financial Officer to obtain Board software to correct the assets register

Code of Conduct Not Communicated

RESOLVED

THAT a report on the progress of communicating the code of conduct be submitted to the joint Exco and Audit Committee Meeting to be held on 21 February 2011 by the MCS.

No Gift Register in Place

RESOLVED

THAT a gift register be compiled by the Supply Chain Management Unit and kept with the Procurement Officer for safekeeping.

Non Compliance with Section 22(b) of the MFMA

RESOLVED

THAT Chief Financial Officer submit a report to the Exco after April 2011 that all MFMA returns have been submitted as required by legislation.

**Non Compliance with SCM Regulation 6(3)
Oversight Role of Council of a Municipality**

RESOLVED

THAT it be noted that the oversight has been rectified and that monthly reports will be generated by the SCM unit and submitted by the AO to the Mayor and the Executive Committee.

Gaps in Human Resources Policy

RESOLVED

THAT the following policies be compiled and submitted to Exco by February 2011 by the Executive Manager Corporate Services:

- a. Monitoring, Increasing and evaluating the performance of ordinary employees;
- b. The promotion and demotion of employees; and
- c. Transfer of employees.

Financial Plan Not Covering Final Outer Year

RESOLVED

THAT the Chief Financial Officer submit a report regarding compliance with Section 26 of the MSA and submit same to the joint meeting of the Exco and Audit Committee to be held in May 2011.

Traffic Control System

RESOLVED

THAT a Committee be established consisting of Mr S Perumall (convenor) Messrs I Gridale , M Ndlovu, C Wait , J J F Coetzee and N Rajkumar to determine a detailed system of control for traffic fines to the satisfaction of the Auditor General and that a report be submitted to the joint Exco and Audit Committee Meeting to be held on 21 February 2011.

Excessive Vacancy Rates

RESOLVED

THAT a report regarding the excessive vacancy rates be submitted by Executive Manager Corporate Services to a joint Exco and Audit Committee Meeting to be held on 21 February 2011.

Municipal Servitudes Not Identified

RESOLVED

THAT Mr N C J Bezuidenhoudt submit a report on the identification of servitudes to the joint Exco and Audit Committee Meeting to be held on 21 February 2011.

Revised Scope in Respect of Gobodo

RESOLVED

THAT the extension of the current tender awarded to Gobodo (Pty) Limited be extended as per the Internal Audit Scoping Memorandum attached to the minutes.



C 03/15/12/10 **PAYMENT OF OUTSTANDING RATES**
DEPARTMENT OF PUBLIC WORKS AND
RESPECTIVE ORGANS OF STATE **(F1/1)**

RESOLVED

THAT this matter be delegated to the Acting Municipal Manager subject thereto that the Department of Public Works submit its correspondence to the Acting Municipal Manager as undertaken by it.



C 04/15/12/10 **CIRCULAR NUMBER 14 OF 2010 APPOINTMENT OF**
MUNICIPAL MANAGER **[C2/1(a); 1/5/2/1]**

RESOLVED

THAT this item be deferred to the next Meeting of the Council for consideration.



There being no further matters for consideration, the Chairperson declared the meeting closed at **13h25**

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CHAIRPERSON

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DATE