

A

Certified Extract of the MINUTES of an ORDINARY COUNCIL IN EXECUTIVE COMMITTEE MEETING of the ENDUMENI MUNICIPALITY held in the Council Chamber, Civic Centre, 64 Victoria Street, Dundee on MONDAY, 30 AUGUST 2010 at 15h00

PRESENT

Executive Committee:

Cllr Ms W N Mbatha (Chairperson – Mayor)
Cllr A M Raubenheimer (Deputy Mayor)
Cllr Ms R T Nukani

Councillors:

Cllr E M Adam
Cllr P M Bisram
Cllr P G Mabilisa
Cllr T B Mkhize
Cllr A M Mthembu
Cllr S E Ndim
Cllr Ms D P Nkosi
Cllr D Singh
Cllr Ms J A Tshabalala



B 01/16/08/10-3 DEBT COLLECTION

(A1/3)

RESOLVED

THAT

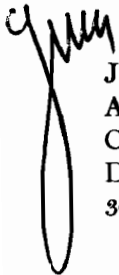
1. The action taken by the Acting Municipal Manager to issue the requisite notices in respect of 350 accounts in which various organs of state owe the Council R11.6 million be condoned, and if necessary the matter be handed over to Council's attorneys for collection;
2. The action taken by the Acting Municipal Manager to issue the requisite notices in respect of accounts in which various organs of state and farmers owe the Council R1.4 million be condoned, and if necessary accounts be handed over to Council's attorneys for collection;
- 3.1 The Endumeni Municipality note GG notice 841 issued on 13 June 2003 and as a consequence of the said notice the Umzinyathi District Municipality/MEC local Government WSA and or Uthukela water WSP is in arrears in respect of operational expenditure for periods of more than 30 days, as contemplated by section 64(3) of the Local Government: Municipal Finance Management Act 56 of 2003. Accordingly, the Endumeni Municipality is obliged by the provisions of section 64(3) to inform the National Treasury of that situation as per the attached schedule appended to the minutes indicating such arrears in the amount of R17 068 623.59 as at 30 June 2010;

- 3.2 In the normal course, the Endumeni Municipality would at this stage institute legal proceedings to recover the outstanding amount. However, as an Organ of State, the Endumeni Municipality is obliged to make every reasonable effort to prevail upon the debtor to settle the outstanding amount before resorting to judicial proceedings to do so. For this reason, Endumeni Municipality shall now call upon said juristic persons to settle the arrears of R17 068 623.59. By no later than 30 days from the date of notice;
- 3.3 As Umzinyathi District Municipality or Successors in Title have not at any stage queried the accounts that Endumeni Municipality have sent or approached Municipality to verify any items debited on those accounts, Endumeni Municipality feel entitled to assume that the amounts in question and liability to pay such are not disputed by Umzinyathi District Municipality or successors in title. If, however, Endumeni Municipality are wrong in this assumption and Umzinyathi District Municipality or successors in title do indeed dispute the amount or liability to pay it, Umzinyathi District municipality or successors in title are to be invited to inform Endumeni Municipality of their contentions in this regard so that Endumeni Municipality can be put in a position to attempt to negotiate with Umzinyathi District Municipality or successors in title a resolution of the dispute and to arrive at a settlement of the dispute as contemplated by section 41(2) of the Intergovernmental Relations Framework Act 13 of 2005. Failing the successful resolution and settlement of the dispute in that manner, the Municipality shall be obliged to formally declare a dispute in terms of the Intergovernmental Relations Framework Act 13 of 2005 so that the processes provided for in that Act can be exhausted. At the effluxation of the foregoing, authority be granted to the Acting Municipal Manager to institute legal action via Council's Attorney's to recover the outstanding amount;
- 4.1 The Endumeni Municipality note GG notice 841 issued on 13 June 2003 and as a consequence of the said notice the Umzinyathi District Municipality/MEC local Government WSA and or Uthukela water WSP is in arrears in respect of transfer of assets and liabilities for periods of more than 30 days, as contemplated by section 64(3) of the Local Government: Municipal Finance Management Act 56 of 2003. Accordingly, the Endumeni Municipality is obliged by the provisions of section 64(3) to inform the National Treasury of that situation as per audited Endumeni Financial statements 2008/2009 such arrears in the amount of R6 216 612.00 are now due;
- 4.2 In the normal course, the Endumeni Municipality would at this stage institute legal proceedings to recover the outstanding amount. However, as an Organ of State, the Endumeni Municipality is obliged to make every reasonable effort to prevail upon the debtor to settle the outstanding amount before resorting to judicial proceedings to do so. For this reason, Endumeni Municipality shall now call upon said juristic persons to settle the arrears of R6 216 612.00. By no later than 30 days from the date of notice;

4.3 As Umzinyathi District Municipality or Successors in Title have not at any stage queried the accounts that Endumeni Municipality have sent or approached Municipality to verify any items debited on those accounts, Endumeni Municipality feel entitled to assume that the amounts in question and liability to pay such are not disputed by Umzinyathi District Municipality or successors in title. If, however, Endumeni Municipality are wrong in this assumption and Umzinyathi District Municipality or successors in title do indeed dispute the amount or liability to pay it, Umzinyathi District municipality or successors in title are to be invited to inform Endumeni Municipality of their contentions in this regard so that Endumeni Municipality can be put in a position to attempt to negotiate with Umzinyathi District Municipality or successors in title a resolution of the dispute and to arrive at a settlement of the dispute as contemplated by section 41(2) of the Intergovernmental Relations Framework Act 13 of 2005. Failing the successful resolution and settlement of the dispute in that manner, the Municipality shall be obliged to formally declare a dispute in terms of the Intergovernmental Relations Framework Act 13 of 2005 so that the processes provided for in that Act can be exhausted. At the effluxation of the foregoing, authority be granted to the Acting Municipal Manager to institute legal action via Council's Attorney's to recover the outstanding amount.



CERTIFIED AS A TRUE AND CORRECT EXTRACT FROM THE MINUTES OF THE MEETING OF COUNCIL IN EXECUTIVE COMMITTEE OF THE ENDUMENI MUNICIPALITY, AND THAT THE COUNCILLORS PRESENT WHO CONSTITUTED THE REQUIRED QUORUM UNANIMOUSLY TOOK THE DECISION.



J B MALTMAN
ACTING MUNICIPAL MANAGER
Civic Centre, 64 Victoria Street
DUNDEE
3000

29 November 2010