



**ILEMBE DISTRICT MUNICIPALITY  
ILEMBE –UMASIPALA WESIFUNDA**

**EXTRACT FROM MINUTES OF THE MEETING OF COUNCIL OF ILEMBE DISTRICT MUNICIPALITY HELD IN THE BOARDROOM, EXECUTIVE COMMITTEE SUITE, ILEMBE HOUSE, MAHATMA GHANDI STREET, KWADUKUZA ON TUESDAY, 30 MAY 2017, COMMENCING AT 14H00**

**Present:** Councillors: LR Makhathini (Speaker) (Chairperson), SS Gumede (Mayor), MD Shandu (Deputy Mayor), IP Dube, A Gopaul, CT Kumalo, MA Maphumulo, MS Mhlongo, MV Mhlongo, ZM Mhlongo, MD Mpofu, MS Ntuli, S Oudhram, MS Singh, DM Sithole, R Singh, IN Vilakazi, AM Baardman, NC Nene, TS Jali, PS Goba, and GN Zungu

**Absent:** Councillors: MW Hubner, AM Gwala, ML Ngidi, HN Ngcobo, S Zondi, JG Van Wyhe (all with leaves of absence), MV Shezi, Inkosi VT Ngcobo, Inkosi MW Qwabe, Inkosi S Khumalo, Inkosi NA Hlongwa, Inkosi DZ Gumede (all with apologies) Councillors NB Hlongwa, ME Ngidi and SF Ntuli (absent)

**Officials:** Mrs PN Gamede (Municipal Manager), Mr K Mthonjeni (Director: Technical Services), Mr NG Kumalo (Director: Corporate Services), Mrs X Mjaja (District Engineer), Mr R Ganesh (Manager: Water Quality), Mr CD Khoza (Senior Manager: Projects), Mr A Horton (Manager: Legal Services), Mrs K Pillay (Manager: PMS), Mr LK Mncube (Manager: Planning and IDP), Mr E Ngcobo (Acting Director: Finance), Mr MD Gumede (Manager: Revenue), Mr E Bhengu (Manager: WSP), Mr LK Mncube (Manager: Planning and IDP), Mr S Ngubane (Manager: Disaster Risk Management), Mr S Mfeka (Manager: Sports Arts and Youth), Ms Z Mvubu (Manager: Internal Audit), Mr N Mkhize (Manager: PMU), Ms Z Nqala (Manager: Communications), Ms MB Khumalo (Manager: Support Services), Mr J Ngcane (Manager: Technical Services), Mr S Chonguene (Manager: Budget and Compliance), Mrs SN Mthembu (CFO: Enterprise iLembe), Ms T Ngcobo (Acting CEO: Enterprise iLembe), Mrs T Mpetsheni (Manager: Enterprise Risk), Ms NP Tshembeni (Principal Admin. Officer) and Ms MK Nxumalo (Committee Officer)

**Traditional Leaders:** Inkosi SA Hlongwa

**Also in Attendance:** Members of the Public

**\*As per attached Attendance Register\***

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**C336**  
**MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) 2017/2018 – 2019/2020: Report dated 30 May 2017 by Manager: Budget and Compliance**

The Mayor took members through the report which its purpose was to table before Council, the Medium Term Revenue and Expenditure Framework (MTREF) for 2017/2018, 2018/2019 and 2019/2020 in terms of Section 16 of the Municipal Finance Management Act, 56 of 2003.

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He then informed Council that the Municipality's vision and the journey to becoming a Sustainable Region is broken down into the following pillars:

- Living Region: the citizens of a region live within environments that provide amenity, convenience and choice to range of facilities and activities.
- Living in harmony with nature where human settlement co-exists in mutual harmony with natural resources of a place.
- Promote social wellbeing: The development of secure, stable and healthy local communities.
- Equity of access: where citizen of a region have improved access to range of urban and economic opportunities.

After his presentation of the budget, he then thanked the Municipal Manager, the Directors, the Acting Chief Financial Officer and all who participated in putting this budget together.

Councillor IN Vilakazi from the EFF commended the Mayor for the budget well presented. He then raised a concern on the scarcity of water as there were wards that had been without water for two (2) months whereas there are taps in yards. He then requested the Municipality to do the proper follow up on the distribution of water by water tankers.

Councillor AM Baardman from the IFP commended the Mayor for the well presentation of the budget and informed Council that the IFP supports the budget.

Councillor MS Singh from the DA commended the Mayor for the budget well prepared and presented. He then appreciated the effort that had been done on the staff establishment and stressed that only the critical posts should be filled. He further reminded the committee that as Council, their main mandate was service delivery and customer satisfaction which should be always made a priority. He then informed Council that as the DA they pledge to work very closely with the new administration. He finally informed the Council that as the DA they don't support this budget.

Councillor S Oudhram from the ANC commended the Mayor for the budget well presented. He then advised Council that it should be noted that this new Council was presenting the funded budget as compared to the unfunded budget that they inherited from the previous Council. He then concurred with Councillor MS Singh in that as Council they are community driven and customer satisfaction is their priority. He then assured Council that they would sort the issue of the non – responsiveness of the call centre.

After discussion and on the proposal of Councillor IN Vilakazi that was seconded by Councillor AM Baardman it was,

**RESOLVED THAT**

- The Council consider in terms of Section 24 of the Municipal Finance Act, 56 of 2003, the Annual Budget of the Municipality for the Financial year 2017/2018; and indicative allocations for the two projected outer years 2018/2019 and 2019/2020; as set out in the A Schedules annexured hereto as follows:

Table A2: Budgeted Financial Performance (Revenue and Expenditure by standard classification)
Table A3: Budgeted Financial Performance (Revenue and Expenditure by municipal vote)
Table A4: Budgeted Financial Performance (Revenue and Expenditure)

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Table A5: Budgeted Capital Expenditure by Vote, Standard Classification & Funding Source)
Table A6: Budgeted Financial Position
Table A7: Budgeted Cash Flow
Table A8: Cash backed reserves/accumulated surplus reconciliation
Table A9: Asset Management
Table A10: Basic service delivery measurement

It should be noted that in respect of Capital Expenditure Estimates:

- Instances where information has been provided in terms of Section 19(2) (b) of the Municipal Finance Management Act No.56 of 2003, the consideration of capital budget constitutes projects consideration for the specific projects as reflected in the detailed capital budget. Where information in terms of section 19(2) (b) is not provided, specific project approval be sought from council during the course of the year.
- That Council consider amendments to its **Tariffs of Charges** as depicted on the schedule annexed hereto and marked as **annexured B**.
- That Council consider amendments to its **Tariffs of Charges** as depicted on the schedule annexed hereto and marked as **annexure E** for the Siza Water Concession Areas.
- That the Budget related policies be adopted;
  - Fixed Assets Management Policy
  - Inventory Management Policy
  - Unauthorized, Irregular, Fruitless & Wasteful Expenditure Policy
  - Borrowing Policy
  - Funding and Reserves Policy
  - Long Term Financial Planning
  - Infrastructure, Investments and Capital Projects
  - Petty Cash Policy
  - Austerity measures policy
- That the Budget related policies with the respective amendments be adopted.
  - Banking, Cash Management & Investments Policy
  - Accounts payables policy
  - Budget Policy
  - Credit Control & Debt Collection Policy
  - Indigent Management Policy

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- Supply Chain Management Policy
  - Virement Policy
  - Tariff Policy
- That the tariff of charges for 2017/18 financial year be increased by 10% effective from 1 July 2017.
  - That in compliance with section 22 of the MFMA, the final budgets be published in the local press and municipal website, it being noted that Council's department of Corporate Governance will attend to this aspect.
  - That the Sewer Tariff be calculated on the market value of the property reflected in the KwaDukuza & Mandeni Municipality's valuation roll (excluding the Siza Water Concession Area) as follows:

2017/18	Type of Property
0.00561 cents in the rand on the market value	In respect of agricultural properties.
0.00451 cents in the rand on the market value	In respect of residential properties including sectional title units.
0.01507 cents in the rand on the market value	In respect of industrial, business and commercial properties.
0.18667 cents in the rand on the market value	In respect of vacant properties.
0.2794 cents in the rand on the market value	In respect of state owned properties and public service infrastructure properties.
0.2794 cents in the rand on the market value	In respect of any other property not mentioned above.

- That where there is no valuation roll; the following be applicable:
  - 50% of the water consumption and water charge levied on a monthly basis.
- That Council approves the proposed 10% tariff increase from Siza Water.

That Council notes that the draft service delivery and budget implementation plan for the 2017/2018 financial year will be tabled 28 days after the budget has been adopted.

CERTIFIED CORRECT



**MRS PN GAMEDE**  
**MUNICIPAL MANAGER**

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