



# **eThekweni Municipal Council**

## **MINUTES**

**Special Meeting held Tuesday, 2022-05-31**

## No. 12

# MINUTES OF ETHEKWINI MUNICIPAL COUNCIL

Meeting held on Tuesday, 2022-05-31T10:00, streamed from  
Inkosi Albert Luthuli Conventional Centre, Durban.

**PRESENT :** Councillors TE Nyawose, TM Kaunda (Mayor), PG Mavundla (Deputy Mayor), A Abdul, J Annipen, AD Beesley, A Beegte, S Bhanprakash, M Billy, T Biyela JM Davies-Black, NJ Bollman, M Brauteseth, WJD Burne, MH Buthelezi, KPM Cele, SB Cele, SP Chebure, J Chetty, GD Clarivette, R Cloete, TP Collins, SV De Boer, Z Dzanibe, J Essop, BA Fortein, SN Gabela, GM Gasa, DMGcabashe, FO Gcabashe, NBC Godlwana, R Gokool, G Govender, S Govender, Y Govender, NL Graham, BR Gumede, NC Gumede, S Gumede, BM Gwala, MS Gwala, GJ Hegter, MM Hlengwa, NP Hlomuka, SD Hlongwa, M Ismail, LBS Jali, DM Khanyile-James, M Johnson, MA Jokweni, K Khambule, MH Khan, KNN Khubone, NL Khuzwayo, ZW Khuzwayo, SNC Khwela, A Kisson, BG Kubheka, V Kunju, CJ Laing, CB Langa, SW Lushaba, M Lutchmen, WM Luthuli, ME Mabaso, RD Macpherson, MA Madlala, NI Madlala, SR Madlala, A Maharajh, RP Maharaj, S Maharaj, FN Majola, TG Makhanya, HS Makhathini, MW Manqele, JB Maphumulo, NJ Maphumulo, TZ Mathe, SH Mazibuko, WM Mazibuko, W Mbambo, KT Mbhele, RP Mbonambi, BA Mchunu, SW Mcineka, RL Mckenzie, X Mdlazi, FW Mdletshe, SM Memela, SP Mfeka, K Mhlaba, GN Mhlongo, NM Mhlongo, T Miya, MB Mjadu, AZ Mkhize, KV Mkhize, MA Mkhize, ME Mkhize, MP Mkhize, NN Mkhize, NA Mkhize, P Mkhize, SM Mkhize, TJ Mkhize, B Mkhwanazi, BR Mngadi, DF Mngadi, E Mngadi, S Mngadi, SV Mngadi, MR Mngonyama, BV Mngwengwe, PB Mnikathi, ZO Mnomiya, S Mnyandu, MV Molife, T Mohamed, ND Motseke, SB Mpanza, NP Msibi, LI Msomi, NP Msomi, LG Mthembu, SSS Mthethwa, TD Mthethwa, TM Mthethwa, N Munien, OB Mvubu, ZP Myeni, SK Mzimela, BD Naidoo, J Naidoo, V Ncukana, WP Ndiweni, NB Ndlela, AB Ndlovu, MF Ndlovu, PB Ndlovu, NS Ndlovu, V Ndlovu, SG Nene, TH Nene, SP Ngcobo, SB Ngcongo, S Ngema, DB Ngubane, LE Nkomeni, MS Nkosi, DR Nowbuth, XM Nqweniso, DM Nsundwane, SH Ntombela, PC Ntshangase, BT Ntuli, N Ntuli, PB Ntuli, ZN Ntuli, B Nxumalo, MR Nxumalo, PH Nxumalo, NN Nyanisa, MV Nzimande-Madlala, AAK Paruk, BW Phewa, DR Pillay, DT Pillay, P Pillay, GDA Pullan, B Radebe, A Rampersad, VG Reddy, T Sabelo, S Sewshanker, A Shaheed, BH Shange, LP Shange, MG Shange, TE Shezi, IM Shinga, JN Sibisi, N Sibiya, LC Sikhakhane, BSB Sindane, EL Singh, J Singh S Singh, PS Sishange, CN Sisoka, NI Sithole, BS Sivetye, EG Smith, ZR Sokhabase, Z Solomon, I Syed, BB Thusi, M Thusi, ME Thusi, ZN Tshazela, NT Tyelinzima, JC Van den Berg, HM Van Der Ryst, NB Vilakazi, NI Webster, SM Windvogel, TV Xulu, T Xuma, NY Young, M Zondi, N Zondi, ON Zondi, TG Zungu, and there being One (01) vacancy.

**ABSENT :** MF Ismail, SE Mhlongo, TJ Mnguni, SR Moodley, MM Ngiba, K Sibisi, HP Shoji and AD Snyman,

AMAKHOSI

ABSENT : Inkosi S Mlaba), Inkosi JJ Shangase and Inkosi EB Shoji (All on Personal Commitments Leave),

OFFICIALS

PRESENT : Messrs/Mesdames TB Mbhele (Acting City Manager), M Mhlongo (Head: Legal & Compliance), B Mhlongo (Deputy Head: Office of the Speaker) and T Ndlovu (Senior Manager: Secretariat).

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(At the commencement of the meeting 216 Councillors were present, comprising ANC - 95, DA - 56, EFF - 24, IFP - 15, ASA - 04, ABC - 02, ACC – 02; ACDP - 02, AIC -02, DLC - 01, ADEC - 01, APF - 01, ATM - 01, AL JAMA-AH - 01, JEP - 01, KZNI - 01, MF - 01, MOSA - 00, NFP - 01, PFP - 01, PRM - 01, TA- 01, UIM - 01 and VF Plus - 01).

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1. NOTICE CONVENING THE MEETING

The Acting City Manager read the notice convening the meeting as per the statutory requirement.

2. OPENING

The Speaker declared the meeting open and extended a warm welcome to all the delegates who were presents, His Worship the Mayor and his distinguished guests, Members of the Executive Committee, Honourable Councillors and Traditional Leaders, the Acting City Manager, Deputy City Managers, Head: Legal and Compliance and other Unit Heads present; Members of the Administration, Media and Members of the public viewing on social media streaming.

The Speaker extended an apology for convening the meeting later than the scheduled time. He informed Council that the Executive Committee had to attend to critical matters prior to this meeting. He further advised that Council meeting would be made up of two sessions which were the Special Council Meeting to approve the annual budget, to be followed by the Ordinary Council Meeting.

3. AFRICAN UNION AND NATIONAL ANTHEM

At the request of the Speaker, the meeting stood to sing the African Union Anthem and the National Anthem of the Republic of South Africa.

4. OPPORTUNITY FOR PRAYER/MEDITATION

The Speaker requested Council to observe moment of silence to meditate and in remembrance of all those who have passed on.

6. APPLICATIONS FOR LEAVE OF ABSENCE

**RESOLVED:**

That the following Councillor and Amakhosi be granted leave of absence as indicated:  
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**COUNCILLORS**

Councillor J Essop : had requested to leave at 15h00

**AMAKHOSI**

Inkosi S Mlaba : 2022-05-31 (Personal Commitments)  
Inkosi JJ Shangase : 2022-05-31 (Personal Commitments)  
Inkosi EB Shozi : 2022-05-31 (Personal Commitments)

7. DECLARATION OF INTEREST

It was noted that none of the members of Council had declared any interest on the matters contained in the agenda.

8. EXECUTIVE COMMITTEE BUDGET REPORT

The Executive Committee meeting convened in the morning of this day of Council meeting to deliberate on budget items. The meeting finished at 10h33 and Secretariat was to begin with the process of compiling and printing the Report arising from the Executive Committee meeting and for tabling in this Council meeting.

While awaiting for the finalisation of the compilation and printing of the Report, Council supported the recommendation made to allow His Worship the Mayor to present his budget speech prior to the actual tabling of the budget recommendations.

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**eThekweni Municipality 2022-23 Budget Speech: His Worship the Mayor:**

The budget speech by His Worship the Mayor, Councillor TM Kaunda, is attached herein, and synopsis thereof recorded below.

His Worship began his Budget address by reporting that the Council had converged under the theme: Unity and cohesion, towards building a thriving social solidarity economy, people-centered development and integrated growth within the City. He reported that the City has been inspired by Thomas Sankara who was a true champion of African Renaissance and one of the greatest revolutionaries who championed the liberation and progressive radical reforms for the people of Burkina Faso. Kaunda mentioned that this inspiration has allowed the leadership of the City to enable change towards the lives of the people. He stated that in memory of the late Zulu King Goodwill Zwelithini and the late Queen Mantfombi, the leadership would continue to seek guidance from His Majesty King Misuzulu kaZwelithini towards addressing daily challenges faced by the City on a daily basis.

**Proceeding with his speech, His Worship declared that the ANC-led government would continue providing change despite the setbacks caused by the calamities which occurred in the past three (03) years. That Council also converged against the backdrop of four (04) consecutive disasters that had befallen the City and caused destruction amounting to Billions of rands in the City. He reported that these disasters affected many lives and livelihoods resulting to homeowners being displaced and living in temporary shelters. His Worship acknowledged that the April disaster appeared to be the worst ever experienced in the City in hundred years. Condolences were extended to all bereaved families and message of sympathy conveyed to all families who had not found closure as they continue searching for the remains of their family members.**

**It was reported that there were over four hundred (400) fatalities and sixty (60) missing people following the disaster. It was advised that search and rescue efforts were ongoing and assurance being given that the City would walk this journey with all families until closure is found. His Worship commended the City employees for working around the clock in restoring water and electricity following the interruption caused by the disaster. Council was informed of the interruption caused by the floods regarding the economic recovery following the Covid-19 and the Civil Unrest. It was reported that following the floods, focus was mainly on the restoration of the following critical services:**

- a) Water**
- b) Electricity**
- c) Sanitation**
- d) Waste Management**
- d) Road Infrastructure and**
- e) Human Settlements**

**In providing progress on the implementation of the Mayoral 10-Point Plan, His Worship mentioned that since its introduction, the City noted the three (03) following shortcomings that were execution deficit, lack of project management capacity and budget expenditure which was not linked to Budget Policy Statement. He advised that as a remedial measure towards these shortcomings, capacity would be built within the Office of the City Manager for proper coordination and implementation and that this would enable the City to prioritise the following critical activities:**

- a) Institutionalisation of the Mayoral 10-Point Plan Governance Handbook**
- b) Finalisation and Implementation of all the Mayoral 10-Point Plan work stream Business Plans**
- c) Mobilisation of external Public and Private sector Partners**
- d) Implementation of the Social solidarity Economy Programme**
- e) Implementation of the eThekweni Enterprise and Supplier Development Fund**
- f) Coordination of the Africa Procurement Indaba 2022.**
- g) Implementation of Infrastructure Procurement Reforms and Procurement Centre of Excellence**
- h) Implementation of the Artificial Intelligence and social Enterprise Development Academy.**

**Council also noted the following achievements of the Mayoral 10-point Plan:**

- 1. Reindustrialisation of the City's Economics Trajectory driven by the Port City Industrial Programme.**
- 2. Mayoral Jobs Creation, Catalytic Projects and Skills Revolution War Room**
- 3. Infrastructure Delivery, Energy Reforms and Climate Change**
- 4. Social Solidarity Economy**
- 5. Procurement Centre of Excellence**
- 6. Smart City and 4<sup>th</sup> Industrial Revolution**
- 7. Implementation of the Rasset Master Plan**
- 8. eThekweni Enterprise Supplier Development Infrastructure Fund**
- 9. Establishment of the eThekweni Economic Council**
- 10. Radical Budget Re-Engineering Reforms**

His Worship reported that numerous catalytic projects implemented in the 2021/2022 financial year had been completed and would be launched shortly. It was also reported that in the 2022/2023 more catalytic projects would be implemented and would attract global investments, enhance tourism and economic trajectory of the City and, lastly, creating more construction jobs as well as permanent jobs to the residents of eThekweni Municipality.

Speaking on the tourism sector, His Worship mentioned that the City would develop attractive tourism packages that would ensure that eThekweni Municipality remains a preferred tourism destination. He reported that despite the massive impact of Covid-19, July Civil Unrest and the recent floods, the City had managed to recover its image as the destination of choice by hosting the following events:

- a) Africa Travel Indaba**
- b) Intra-Africa Trade Fair**
- c) 5<sup>th</sup> Global conference on the Elimination of Child Labour**

He reported that according to crime statistics, the City of eThekweni contributed 50% in the crime rate throughout the Province. He mentioned that an increase in business robberies were recorded in Umlazi, Central Business District and KwaMashu, meanwhile Inanda was leading in murder and sexual offences. As part of remedial measures to address the scourge of crime in communities, the City would convene Izimbizo in Umlazi and Inanda alongside the Minister of Police, General Bheki Cele since these areas were identified as crime hotspots.

Speaking on the brutal assassination of Municipal employees, His Worship mentioned that meetings would be held with relevant parties including employees from Water and Sanitation, Trade Unions and Senior Management, aimed at paving a way forward and strengthening security in all Municipal buildings. He mentioned that the Minister and the City had agreed upon the inclusion of the following interventions:

- a) Deployment of Multi-Disciplinary Teams to deal with the killing of Councillors and Officials**
- b) Transform Amaoti to become a fully-fledged Police Station within 12 months**
- c) Installation of CCTV Cameras beyond the Central Business District**
- d) Dedicated teams to deal with bad buildings, drugs and illegal liquor outlets.**

**His Worship announced that the City would increase police visibility through finalising the recruitment of 200 Metro Police Officer to increase crime prevention capacity. He mentioned that this was an ongoing recruitment programme that would ensure that the City would reach its target of employing 5000 law enforcement Officers. Council was also advised of other commitments by the City towards ensuring socio-economic development for the people of eThekweni as follows:**

- a) Government Mall**
- b) Good Governance**
- c) Inner City Regeneration**
- d) Building an HIV and AIDS Free Generation**
- e) Youth, Women and People with Disability**
- f) Social Cohesion Summit**
- g) Climate Change Summit**

**An overview of the budget was presented as follows:**

**The total budget for 2022/23 was R55.4 Billion with an operating budget of R49.8 Billion, a capital budget of R5.6 Billion. That the budget was fully funded, balanced, realistic, credible and strategically aligned. His Worship mentioned that it was based on the principles of affordability and sustainability.**

**It was mentioned that the operating budget, which funds the continued provision of services provided by the Municipality, has been increased from R47 Billion in 2021/22 to R 49.8 Billion in 2022/23, R52.7 Billion in 2023/24 and R 55.9 Billion in 2024/25.**

**Further, that the growth of the operating budget was mainly due to:**

- Repairs and maintenance of infrastructure**
- Cost of addressing service delivery backlogs**
- Cost of bulk purchases - water and electricity; and**
- Employee related costs**

**The following are the main items contributing to the operating budget of R49.8 Billion:**

- R16.6 Billion for Electricity**
- R6.9 Billion for Water and Sanitation**
- R6.6 Billion for Community and Emergency Services**
- R1.5 Billion for Cleansing and Solid Waste**
- R2.3 Billion for Roads and Engineering; and**
- R1.5 Billion for ETA**

**His Worship reported that the capital budget of the City projected a spending plan of approximately R 15.6 Billion over the next three-years. The capital budget for the 2022/23 financial year amounts to approximately R5.6 Billion and thereafter at R4.9 Billion in 2023/24. A provision of R5.1 Billion was made for the 2024/25 financial year. The capital budget continued to reflect consistent efforts to address backlogs in basic services and the renewal of the infrastructure of existing network services, in particular Water and Sanitation.**

**The major capital projects over the MTREF included:**

- R2.2 Billion on electricity infrastructure**
- R2.1 Billion on the EThekweni Transport Authority**

- **R1.9 Billion on low-cost housing and infrastructure**
- **R1. 9 Billion on sanitation infrastructure**
- **R1.5 Billion on water infrastructure**
- **R1.3 Billion on roads rehabilitation and reconstruction, and new access roads**
- **R804 Million on addressing community service backlogs**
- **R605 Million on catalytic Projects (Ntshongweni, Brickworks and Oceans Umhlanga)**
- **R520 Million for waste management including landfill sites**

**He reported that the proposed tariff and rates increases were the lowest for years as Council sincerely appreciated the plight of the residents. The proposed increases were as follows:**

- **There was no proposed increase for residential property rates. Instead, the city is happy to announce that the rate randage on residential has been decreased by 10% due to the implementation of the new valuation roll.**
- **The water tariff increase for residential is 5.9% and 9% for business. This was to secure the water supply of the city and to ensure that the infrastructure was maintained to reduce water losses.**
- **The electricity tariff increase was 7.47%. This was against an Eskom increase of 9.61%.**
- **The sewerage tariff increase for residential was 5.9% and 9% for business.**
- **The refuse tariff increase was 4.5% for residential customers and 7.9% for business.**

**His Worship mentioned that these tariff increases represented an appropriate balance between the interest of poor households and other customers while ensuring the financial sustainability of the Municipality. He further mentioned that the City had extended the deadlines for objections to the new property valuations and applications for rates rebates and had also implemented several initiatives to assist residents and businesses to survive and recover from the Covid-19, civil unrest and the recent floods.**

**In concluding his address, His Worship reiterated that this budget was responsive to the recovery and was people-centred budget. He extended appreciations to all political parties, particularly the African National Congress and its coalition partners for their continuous partnership in ensuring eThekweni remains the most liveable and caring City. Appreciation was also extended to the Executive Committee and Councillors for their guidance and oversight role in the running of the Municipality. Further appreciations were extended to the Administration led by the Acting City Manager, Mr Mbhele, for steering the administration ship in the right direction. Lastly, His Worship extended gratitude to his family for their continued support and sacrifice.**

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**(His Worship the Mayor, Councillor TM Kaunda presented the Third Report of the Executive Committee)**

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**THIRD REPORT OF THE EXECUTIVE COMMITTEE**  
(Special Meeting held 2022-05-31)

PRESENT : Executive Committee Members TM Kaunda (Mayor and Chairperson), PG Mavundla (Deputy Mayor), Y Govender, NL Graham, NI Madlala, T Miya, TM Mthethwa, MS Nkosi, T Sabelo and ZR Sokhabase.

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1. BUDGETS 2022/2023 – 2024/2025 MEDIUM TERM REVENUE AND EXPENDITURE (MTREF)

(Item circulated separately)

The Executive Committee received a brief presentation from the Chief Financial Officer regarding changes effected to the budget tabled in March 2022. This follows the devastating floods which befell the City of eThekweni in April 2022.

As a result of the flood, an additional amount of R3.9 billion is required for projects required to restore the City. There are 280 projects to be undertaken as a result of flood damages. It was reported that some of the projects have been excluded because of inadequate budget. To date, an amount of R2.1 billion has been prioritised to deal with floods projects. This then leaves a shortfall of R1.8 billion. An application has since been made to National Treasury to cover the shortfall and a response in this regard is expected in 2 weeks' time. There is a further R1.8 billion required for human settlements related damages. However, the Provincial Department of Human Settlements is directly handling human settlements damages as a result of floods.

To raise funds for flood damages, the Municipality had to increase loan borrowing by R500 Million. There is also an increase in the operating expenditure in the amount of R150 Million. The Municipality is also submitting claims to try and recoup some of the funds from the insurance.

Comments received from various stakeholders arising from budget hearings have also been taken into consideration. As such, electricity tariff has since been reduced from 8.43 to 7.47. Local community has also raised issues about the state of cleanliness, as well as human settlements backlogs, in addition to various other service delivery issues relating to water and sanitation; electricity; refuse removal; roads rehabilitation; job creation, amongst others.

The budget also incorporated social packages which favours certain groups to receive rates rebates or not paying for rates at all. This is calculated through property values outlined. Social packages cover mainly indigenous people; pensioners; child-headed household; medically boarded, People with Disability.

Comments were also received with respect to the Integrated Development Plan (IDP). Similar concerns were raised with regard to service delivery improvements. This included job creation; roads rehabilitation, human settlements; issuing of title deeds; business relief for flood damages; stormwater maintenance; and also improved public transport service for People with Disabilities.

During consideration, members appreciated the budget process as well as the accessibility of the Finance Team to unpack budget issues. The issues raised as needing improvements are summarised as follows:

- Collective effort to request funding due to be released by National Treasury for floods damages to reduce loan borrowings
- Reduction in security costs; overtime costs; staff bonuses and salary increments
- Reduction in events considered not beneficial to the City
- Relooking budget of Trading Services to cover the shortfall
- Improved consultation with Ingonyama Trust
- Focus on land acquisition and expropriation to also have sufficient land to remove people from floodplains

The Executive Committee appreciated the fact that the budget was pro-poor. It was then unanimously agreed to deliberate on the budget but defer its approval so as to incorporate all aspects raised by stakeholders. Upon seeking legal opinion, the Head: Legal & Compliance confirmed that the proposed approach is permitted in accordance with the stipulations in Section 24 of the Local Government: Municipal Finance Management Act No. 56 of 2003.

With consensus being reached on the budget process,

#### COMMITTEE RECOMMENDS:

- 1.1 That Council receives and deliberates on the 2022/2023 – 2024/2025 Medium Term Revenue and Expenditure of the Municipality and its entities tabled in terms of Section 16(2) of the Local Government: Municipal Finance Management Act No. 56 of 2003.
- 1.2 That Council reconvenes within a 7-day period from the date of this Council meeting to formally adopt budget, which timeline is in line with the provisions of Section 24 of the Local Government: Municipal Finance Management Act No. 56 of 2003

**The DA supported the above recommendation and acknowledged changes effected in the draft budget approved in March 2022 due to floods that had materialized in April and May 2022. However, the DA maintained that these floods were perpetuated by the City's aging infrastructure and poor planning. The DA expressed concerns with the lack of coordination in addressing sanitation infrastructure that had been damaged during the floods and led to waste being dispersed in the surrounding and pouring directly into rivers and streams. They also raised concerns about poor provision of relief mechanism for the displaced people in mass care shelters and in this regard, the services of Non-Governmental Organisations were appreciated in provision of the necessary relief.**

**Commenting on the Tongaat area water issues, the DA mentioned that there were emerging protest due to the lack of communication and provision of responses to the public. They acknowledged that the draft budget incorporated public inputs which prompted the decrease in electricity tariffs.**

**The DA were further concerned about the increase in loan borrowing following failure by the National and Provincial Government to allocate funds to address the impact of the flood disasters. They noted that the City required an amount of R3 900 000 000.00 (Three Billion and Nine Hundred Million Rands) in order to address disaster caused by the April floods only and exclusive of the Human Settlements matters. Further, concerns were raised regarding additional funding that has been allocated for overtime claims and it was mentioned that Security Management and Metro Police Units had overspent overtime. It was recalled that during the Mayoral Lekgotla held in February 2022, a recommendation was made for the City to maintain a stabilized water and electricity network, on this basis the DA recommended that Council should prioritize and address the issue of the unfunded amount of R319 000 000.00 (Three Hundred and Nineteen Million Rands) for the Trading Services Cluster**

**Speaking on the events organized by the Parks, Recreation and Culture Unit, the DA submitted that they would only support events that were geared towards the City's economy and the tourism sector following the effects caused by the Covid 19, July civil unrest and the disaster. They expressed concerns regarding the delays on the finalization of the Go! Durban transport project. The DA was against the proposed draft budget and requested that proper engagements should be conducted with relevant stakeholders to address issues raised prior to the adoption of the final budget.**

**Commenting on the proposed budget, the IFP recommended that services requested by communities should be made a priority. On the issue of Go! Durban, they also raised concerns that various station had been vandalized yet the Municipality had deployed security personnel to safeguard these properties. It was mentioned that matters that pertained to electricity and water were not effectively incorporated in the budget. A recommendation was submitted that the Municipality had to identify vacant Municipal buildings for renovations to accommodate displaced people instead of constructing temporal shelters. Speaking on the issue of borrowings, the IFP recommended that the City should collect monies owed by other Government spheres. On this basis, the IFP were not in support of the budget.**

**Thereafter, the DLC welcomed the budget as presented. However, they mentioned that more work was required for the budget to be balanced and responsive to all service delivery matters. They mentioned that following the fuel increase, the City should be considerate to all citizens, in particular, tariff and rates increases. Attention being drawn to water issues faced by the Tongaat residence and that this requested an immediate investigation on the delays and corruption related to water provision. They also requested that overtime expenditure should be monitored.**

**Following inputs from various parties, the ANC expressed gratitude and welcomed all inputs submitted. It was advised that in terms of water issues in Tongaat, the City had partnership with the Provincial Department of Water and Sanitation and had established a war room that would assess and address all water issues in the City without being considerate of race and class. That the Go! Durban Transport project had delays due to ongoing negotiations with relevant stakeholders (Taxi and Bus Industry), so that Council does not infringe benefits of other people involved in transport industry and to alleviate violence that may arise.**

**The ANC Acknowledged that the budget being presented followed multiple disasters including the Covid-19, July Civil Unrest and floods that had befallen the City causing a strain on the economy and damages on properties and lives of the people. They mentioned that business sectors were consulted on the draft budget. The ANC also welcomed the increase of operating budget, social packages related to rates and tariff increase and the proposed R100 social rate support from Ingonyama Trust areas. They extended words of gratitude to the leadership of the City and all Councillors for their interventions towards flood relief and unity displayed irrespective of political differences.**

**Meanwhile, the EFF supported the budget and recommended that it should be adopted in this meeting of Council to avoid delays of service delivery. They mentioned that the City should be considerate of the amount of money utilized for all logistical arrangements of the Council Meetings. They expressed reservation on the manner in which the City had handled the Virginia Airport. They mentioned that eviction processes were not applied in a uniform manner. They sought clarity on the role of security personnel deployed to safeguard City's infrastructure to ensure safety of employees in Municipal building following numerous cases of theft and killings.**

**Following the remarks from the EFF, it was advised that during the drafting of the budget and as per the recommendations from other political parties the City conducted budget hearings that enabled different stakeholders including eThekweni communities to submit input for consideration in the budget. It was further advised that the budget responded to safety and overtime matters whereby the City would recruit two hundred (200) Metro Police Officers. Close partnership between the South African Police Service and Metro Police have been enhanced to ensure safety within the City.**

**It was reported that a catalytic project presented by the Mayor including the Raddison Blue Hotel that would be launched on Friday, 2022-06-03 and would provide permanent employment opportunities for the people of eThekweni. Following the impact of the Covid-19, July Civil Unrest and the floods on the tourism sector, it was advised that events planned by the City would revive economy, provide work to small businesses, Artists etc. The ANC recommended that the budget tabled in this meeting of Council be adopted within seven (07) days to ensure that all inputs raised were incorporated.**

**The Action SA voted against the budget and requested that the Municipality should consider minimizing contractor services and allow services to be undertaken internally. They advised that the Municipality should recruit people with the necessary skills and also alleviate corruption that emanates from tender processes. Concerns were raised regarding tariff increase towards businesses without taking into consideration the negative impact caused by the Covid-19, July Civil Unrest, floods and poor service delivery. Further, that small business had faced closure as a result of these incidents**

**Continuing with their remarks, the Action SA expressed concern with regards to the uncollected monies owed by the Provincial and National Government which then prompted for tariff increase affecting citizens and businesses.**

Thereafter, the EFF reiterated its point on the adoption of the budget and mentioned that reconvening would require more cost for all logistics arrangements whereby the City could utilize those funds to provide adequate relief for the displaced people. They mentioned that the budget was appropriate and all necessary procedures including consultation with all relevant stakeholders were conducted. They mentioned that adopting the budget would eliminate delays of service delivery.

The Deputy Mayor advised that the EFF should carefully peruse through the budget report and it would clearly identify that there were critical projects which were not funded and amendments needed to be effected prior the adoption. Speaking on the Tongaat matter, Councillors were advised that interventions were provided and many delegates including the National Minister and Deputy Minister of Water and Sanitation had descended to the areas to assess all the damages and necessary interventions were implemented.

Subsequently, the Minority Front then appreciated the proposed budget and expressed their support of the budget. They noted that His Worship had stated that there would be no increase in the residential rates and advised that in various areas, the property valuation had increased excessively thus resulting to the increase of residential rates. They expressed concerns regarding the National Treasury's vote of no confidence in the City in terms of handling of disaster funds and recommended that disaster funds should have been transferred to the Provincial Department of Co-operative and Traditional Affairs for effective management thereof. They were also concerned that the disaster funds that were expected by the Municipality would now be shared with the Eastern Cape Province.

Clarity was provided that the budget would be effective and implemented from 2022-07-01 regardless whether it was adopted in this meeting or not. It was noted that the proposed seven (07) days of reconvening was still under the stipulated timeframe for Council to thoroughly review the proposed budget and provide necessary amendments. Council was taken through the issues that required improvements as raised by the Executive Committee and that the requested timeframe would seek to address all these issues to be incorporated accordingly in the budget.

Following clarification provided and Council reaching consensus, the above recommendations were; **ADOPTED.**

2. APPROVAL OF FINAL DRAFT 2022/2023 INTEGRATED DEVELOPMENT PLAN (IDP) (2/1/6/1)

(Page 1)

With the IDP being part of the budget, its adoption will then be also formalised in the 7-day period proposed to reconvene the Municipal Council meeting.

Accordingly,

COMMITTEE RECOMMENDS:

- 2.1 That the adoption of the 2022/2023 Integrated Development Plan (IDP) of the eThekweni Municipality, as circulated separately, and reviewed in line with the requirements of the Municipal Systems Act No. 32 of 2000 to facilitate inclusive transformational and developmental issues within the eThekweni Municipal area, it being recorded that inputs received from stakeholders have been taken into account in finalizing the IDP, be deferred for consideration in the Municipal Council meeting to be reconvened in a 7-day period.

**ADOPTED.**

3. APPROVAL OF LOAN/DEBT AGREEMENT: BORROWING R1 BILLION FOR CAPITAL PROJECTS (7/3/1/1/2)

(Laid on table)

The borrowing was supported as per the process already initiated and approved previously. It was noted this relate to the 2021-22 financial year approval of capital projects borrowing.

The DA (03) voted against the borrowing as they are of the view the Municipality will not sustain the servicing of borrowings under current financial instability. The DA also reiterated the issue of collective efforts to request funds from the Provincial Government with regard to flood damages.

The IFP (01) abstained on the matter, with the ANC (04); ABC (01); and EFF (01) being in support,

Accordingly, by the majority vote,

**COMMITTEE RECOMMENDS:**

- 3.1 That, eThekweni Municipality to issue a 10-year bond for R500 Million at a fixed interest rate of 10.91% and that the Acting City Manager signs the Applicable Pricing Supplement in relation to this bond annexed as Annexure A to the report by the Acting City Manager dated 2022-05-25.
- 3.2 That, eThekweni Municipality to issue a 15-year bond for R500 Million at a fixed interest rate of 12.22% and that the Acting City Manager signs the Applicable Pricing Supplement in relation to this bond annexed as Annexure B to the report by the Acting City Manager dated 2022-05-25.
- 3.3 That the Acting City Manager sign the Disclosure Statement annexed as Annexure C to the report by the Acting City Manager dated 2022-05-25.
- 3.4 That the Acting City Manager sign the Subscription Agreement between eThekweni Municipality and Nedbank limited (Lead Arranger).
- 3.5 That the Acting City Manager sign the Certificate of No Material Adverse Change.
- 3.6 That subject to the approval of .1 to .5 above, authority be granted for the Deputy City Manager: Finance to sign any and all other documents in relation to the loan agreement.

**As some members were not in support of the recommendations; the matter was put to the vote. With 207 Councillors present. 130 Councillors (ANC- 92, EFF-24, ABC-2, ACC-1, AIC-2, APF-1, ATM-1, JEP-1, KZNI-1, MF-1, NFP-1, PFP-1, PRM-1 and TA-1) voted in favor; 62 Councillors (DA-54, ASA-4, ACDP-1, DLC-1, UIM-1 and VF Plus- 1) voted against the matter and 15 Councillors (IFP-15) abstained on matter.**

**Accordingly, the recommendations were, by the majority vote, **ADOPTED****

4. PARTICIPATION OF TRADITIONAL AND KHOI-SAN LEADERS IN MUNICIPAL COUNCIL (13/2/1/2/1)

(Page 36)

The Executive Committee noted great initiative for the Municipal Council to be inclusive of all Amakhosi serving in the eThekweni Municipal area.

With the amendment effected to Section 81 of the Local Government: Municipal Structures Act No. 117 of 1998, a number of three (03) Traditional Leaders now serve in Council compared to eighteen (18) Traditional Leaders in the previous Council Term of Office.

Taking into account the enormous work to be undertaken, it is proposed to support the 3 Traditional Leaders by getting the other 15 Traditional Leaders to serve in Support Committees. It being noted that the 3 Traditional Leaders will serve on the Executive Committee; Municipal Public Accounts Committee; and the Finance, Security and Emergency Services Committee.

Council should note that Section 81(7) of the Local Government: Municipal Structures Act No. 117 of 1998 does permit the proposal being made to incorporate other Traditional Leaders.

With regard to the out-of-pocket expenses, the 3 Traditional Leaders will receive an amount of R6 500.00 (Six Thousand Five Hundred Rand) per month. The remainder of 15 will receive R5 500.00 (Five Thousand Five Hundred Rand).

The Committee supported the arrangement and emphasised that Traditional Leaders should be supported with empowerment programme and support for them to make meaningful contribution to Council activities.

**COMMITTEE RECOMMENDS:**

- 4.1 That Council notes the participation of Traditional Leaders in the Municipal Council as governed by Section 81 of the Local Government: Municipal Structures Act No. 117 of 1998.
- 4.2 That Council notes that in compliance with the provision of Section 81, participation of Traditional and Khoi-San Leaders in Municipal Councils, as contained in the Local Government: Municipal Structures Act No. 117 of 1998 and MEC for Cooperative Governance & Traditional Affairs pronounced, the following Traditional Leaders who are participating in the Municipal Council:

- iNkosi Simingaye Mlaba
- iNkosi Emmanuel Bhekuzalo Shoji; and
- iBambabukhosi Jabulisile Joyce Shangase

- 4.3 That in line with Section 81(7) of the Local Government: Municipal Structures Act No. 117 of 1998, other than the three (03) pronounced Traditional Leaders, the remaining leaders servicing on the eThekweni Traditional House, be invited to other Municipal Committees to address such Committees on matters affecting their respective communities.
- 4.4 That Council approves monthly of out-of-pocket expenses in the amount of R6 500.00 (Six Thousand Five Hundred Rand) to all Traditional Leaders participating in the eThekweni Municipal Council, in line with the provision of Section 13(a) Local Government: Municipal Structures Act No. 117 of 1998.
- 4.5 That Council approves monthly of out-of-pocket expenses in the amount of R5 000.00 (Five Thousand Rand) to invited Traditional Leaders from the eThekweni Local House of Traditional Leaders to other Council Committees to address such Committees on matters affecting their respective communities.

**Financial Implications:**

Business Unit	Item	Fund	Costing	Project	Region	2022/2023 Budget
32314	20510	12120	0000	37630	0010	R770 190.00

Below are financial allocation for 2021/2022 and 2022/2023:

Expenditure Total	Actual Amounts	Adjusted Budget	Variance	Business Item
	R475 000.00	R770 190.00	R295.190.00	32314.20510

**ADOPTED.**

5. **PROPOSED AMENDMENTS FOR THE MAIN COLLECTIVE AGREEMENT (13/2/1/2/1)**

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Council notes that the South African Local Government Association (SALGA) has effected amendments to the South African Local Government Bargaining Council Main Collective Agreement. Some of these amendments take away powers vested to the Municipality in terms of the Divisional Conditions of Service Agreement in place as entered into on 31 October 2018 and terminates on 31 October 2023.

It is therefore imperative for the Municipality to retain power to negotiate as per the Divisional Conditions of Service Agreement in place. If the power is not retained then the labour issues concerned will be negotiated at the SALGA level. The issues referred to include, amongst other things; Home Owners Allowance; Hours of Work; Leave; Maternity and Adoption Leave; Medical Aid etc.

With the Committee being in concurrence that eThekweni Municipality retains the power to negotiate at the divisional level,

COMMITTEE RECOMMENDS:



That authority be granted for the Deputy City Manager: Human Capital to make submissions on behalf of eThekweni Municipality, regarding the request to retain implementation of the Divisional Conditions of Service Agreement in place to enable the Municipality to negotiate at the divisional level with regard to certain conditions of service, as outlined in the presentation by the Deputy City Manager: Human Capital dated 30 May 2022.

**ADOPTED.**

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The meeting terminated at 16h46.

CONFIRMED AT THE MEETING OF THE ETHEKWINI COUNCIL ON 2022-06-30

SPEAKER