



MINUTES of the **FIFTH (5TH) SPECIAL** meeting of the **BUFFALO CITY COUNCIL** held on **THURSDAY, 4 JUNE 2009** at **2.00 P.M.** in the **AUDITORIUM**, City Hall, East London.

PRESENT:

The Speaker, Councillor L.E. Simon (Chairperson)
The Executive Mayor, Councillor Z. Faku

Councillors:

Beme, C.M.	Mdyolo, J.
Bevu, N.M.	Mgezi, N.D.
Bobo, L.	Mhani, M.D.
Booi, B.S.	Mhlola, N.M.
Dinizulu, M.	Mkunqwana, M.A.
Dumezweni, N.	Mlenze, M.
Du Plessis, S.A.	Mnikina, M.M.
Fritz, T.F.	Montes, V.
Gedze, N.V.	Mpupusi, R.K.
Gomba, S.G.	Myira, T.
Groepe, C.M.	Narwele, P.T.
Gxwala, V.	Ndumiso, V.H.
Jakavula, N.	Ndyoko, F.C.
James, Y.	Ngcamama, X.L.
Jantjies, Z.	Pango, M.U.
Jida, B.T.	Pati, K.F.
Kente, Z.E.	Pauli, N.
Krüger, W.J.	Phakade, M.E.
Lefume, T.Z.	Qebeyi, M.B.
Mabeta, M.R.	Rademeyer, A.
Mahebe, B.A.	Sityi, N.A.
Mahodi, M.N.	Smit, J.
Maphuka, S.	Thompson, I.
Mati, T.	Yekiso - Morolong, M.C.
Matika, M.D.	Zwakala, N.F.
Mavuka, B.D.	16 Vacancies
Mbovane, F.W. (attended at 2.25 p.m.)	

(70)

BUFFALO CITY COUNCIL : 4/06/2009

LEAVE OF ABSENCE:

Alderrman J.H. Badenhorst
Councillors: S.W. Caga
S.R. Dikimolo
C. Gazi
L.P. Maxengwana
M.O. Mciteka
N.O. Mntwapi
P. Puchert (indisposed)
S.N. Shweni-Booyesen (9)

APOLOGIES:

Councillors: R.E. Angelbeck
N.G. Madonono
R.N. May (indisposed)
[NOTE : Although an indication had been given that Councillor May had Leave of Absence for this meeting, the Administration is not in receipt of such approved Leave of Absence, thus her absence is recorded as an apology.]
R.K. Muzzell
T.C. Nandala
N.L. Ngubelanga
E.S. Tyilo
D. Vallabh (8)

ABSENT:

Councillors: N. Dubula
S. Jabavu (2)

OFFICIALS:

Acting Municipal Manager (Ms A.P. Magwentshu)
Acting Chief Financial Officer (Mr E.L.L. Mnqonywa)
Chief Operating Officer (Mr V. Dayimani)
Director : Planning and Economic Development (Ms N. Mbali-Majeng)
Director : Engineering Services (Mr N. Ncunyana)
Director : Community Services (Mr J. Ismail)
Director : Health and Public Safety (Mr V. Lwana)
Director : Executive Support Services (Mr V. Zambodla)
General Manager : Budget and Treasury (Ms P. Adonis)

BUFFALO CITY COUNCIL : 4/06/2009

(OFFICIALS CONTD.)

General Manager : Organisational Support	(Ms N. Sauti)
General Manager : Revenue Management	(Mr G. Thiant)
General Manager : Industrial Relations	(Mr G.W. Goba)
Programme Manager : Compliance	(Mr L. Valeta)
Administrator	(Mr M.E. Gqabaza)
Temporary Special Advisor to the Executive Mayor	(Mr M. Msoki)
Legal Advisor	(Mr Z. Vumazonke)
Municipal Valuer	(Mr C. Lourens)
Head : Administrative and Council Support	(Mrs J.F. Augustine)
Senior Administrative Officer : Committees	(Ms A. Mayise)
Senior Administrative Officer : Committees	(Mr L.J. Hourquebie)
Senior Administrative Officer : Committees	(Ms N. Matwa)
Administrative Officer : Committees	(Mr B. Moonsamy)
Administrative Officer : Committees	(Mr M. Gunuza)
Administrative Officer : Committees	(Ms L. Mahlangeni)
Administrative Officer : Committees	(Mrs C. Bessenger)
Administrative Officer : Committees	(Ms T. Mbotyi)

BCC NOTICE CONVENING THE MEETING
153/09

The Speaker read the notice convening the meeting, drawing attention to the fact that the meeting was originally scheduled for Wednesday, 3 June 2009, but had been postponed to Thursday, 4 June 2009.

Continuing, the Speaker apologized for the fact that although an sms had been sent to all Councilors advising of the postponement, not all Councillors had received the sms.

NOTED

BCC OPPORTUNITY FOR SILENT PRAYER OR MEDITATION
154/09

The Speaker allowed an opportunity for silent prayer or meditation.

NOTED

BUFFALO CITY COUNCIL : 4/06/2009

BCC
155/09

APOLOGIES

Apologies were tendered on behalf of Councillors Nondala (Council Business), Tyilo (Ward event), Madonono (LED programme), May (Indisposed) Angelbeck, Vallabh, Muzzell and Ngubelanga.

NOTED

BCC
156/09

ADOPTION OF AGENDA/MATTERS OF EXIGENCY

The agenda as previously circulated was adopted and confirmed, subject to the inclusion of the approval of Buffalo City Municipality's Integrated Development Plan 2009/10 which had been tabled at the Special meeting held on 29 May 2009, but consideration thereof deferred to this meeting.

NOTED

BCC
157/09

STATEMENTS BY THE SPEAKER

The Speaker stated that she is expecting a detailed report from the Director : Executive Support Services in respect of furniture for Councillors as the end of the financial year is fast approaching. She added that Councillors requested furniture for their offices and not to be delivered/kept at the City Hall.

Councillor Mdyolo requested clarity on the fact that the Director : Planning and Economic Development had been the Acting Municipal Manager at the last Council meeting and at this meeting it is the Director : Corporate Services, without any explanation being given therefor.

The Executive Mayor reminded Councillor Mdyolo of a previous decision which had been taken by the Council to the effect that the acting capacity in respect of the Municipal Manager be on a rotational basis and that the change is as a result of the implementation of that resolution.

Councillor Mdyolo urged that a Municipal Manager be appointed in order for stability to return to the organization.

NOTED

BUFFALO CITY COUNCIL : 4/06/2009

BCC
158/09 COMMUNICATIONS BY THE
ACTING MUNICIPAL MANAGER

NIL

NOTED

BCC
159/09 PROPERTY RATES POLICY, IN ACCORDANCE
WITH THE REQUIREMENTS OF THE MUNICIPAL
PROPERTY RATES ACT 6 OF 2004

Councillor Fritz stated that the Rates Policy was based on valuations which had been done in June 2008, i.e. the values of those properties at that time. He added that since property owners' rates have been changed, they have not been granted an opportunity to lodge an appeal. He sought clarity on increases in rates values of up to a R1 000 000,00. He also cited examples of increases of R30 000 to R40 000 in instances where properties had allegedly been undervalued previously.

Councillor Bobo objected, stating that the issues raised by Councillor Fritz related to the valuation of properties and not the policy under discussion.

Councillor Montes expressed the viewpoint that the examples cited by Councillor Fritz would give an indication of how the Rates Policy dictated the outcomes of the valuations process.

Councillor Bobo said it was his understanding that even though the policy dictated who etc should be rated, it was separate from the valuation process and that the issues should thus be raised when the valuations are addressed.

Councillor Fritz, in referring to the recommendations set out on pages 733 and 734, and in particular the amendments listed, stated that the Democratic Alliance would not accept it as it had not been presented/taken to the communities affected thereby.

Councillor Sityi said that it is her understanding that Councillor Fritz was speaking to the matter of the product of the general valuations process and the objections individuals have thereto, on the one hand, and the impact the policy under discussion for adoption by the Council will have thereon and on property values. She added that the matter of people not having access to the valuation roll and means of submitting objections had been discussed with the Executive Mayor and that there is an agreement in place for the Finance Directorate to do roadshows thereon, as well as in respect of the matter of indigents, to facilitate implementation on 1 July 2009.

(MINUTE NO.BCC 159/09 CONTD.)

BUFFALO CITY COUNCIL : 4/06/2009

Councillor Fritz stated that the Rates Policy talks to valuations and enquired what policy had been used for valuations and taken to the people when the valuations were done, if the Council is only now considering the adoption of the Rates Policy.

Councillor Gomba stated that the valuations inform the rates, but that the Rates Policy does not affect the valuations. She said that the two issues need to be separated.

Councillor Mdyolo stated that the policy is anti-developmental because when home owners develop and upgrade their properties, their rates are increased. He said that despite the recession and current economic situation, the policy which is “going to hit hard at the communities” is still being submitted for approval. He added that he heard and noted Councillor Sityi’s statement that charging rates will contribute to the Council’s budget, but he added that the Municipality is not spending the budget it already has, yet it wants more money which it is not going to spend as well. On behalf of the Pan African Congress, he rejected the policy. He added that there are many other ways to raise revenue. He cited the example of the Council formalizing informal settlements in order for those residents to be charged for services, as one way to raise revenue.

Councillor Sityi referred to page 772, paragraph 6 and page 775, paragraph 13 and urged Councillor Mdyolo to read those paragraphs, as he had referred to the policy being anti-developmental.

Councillor Matika referred Councillors to page 723 which sets out the basis for the submission of the policy for approval by the Council. He stated that it was an instruction, not a choice. He proposed, on behalf of the African National Congress, the adoption of the policy. This proposal was seconded by Councillor Mbovane.

Councillor Fritz referred the Council to bullet point no. 5 on page 723 and stated that it had already been confirmed earlier that the policy under discussion proposed for adoption had not been in place to have been taken to the public as it is only now being considered for adoption.

Councillor Matika and Sityi, in responding to Councillor Fritz’s query, clarified that the DRAFT Rates Policy approved by the Council on 31 March 2009 had been used as the basis of consultation with communities and that the Council is continuing to deal with the matter as prescribed by law.

(MINUTE NO.BCC 159/09 CONTD.)

BUFFALO CITY COUNCIL : 4/06/2009

There being no seconder for Councillor Mdyolo's proposal for the policy to be rejected/not adopted, it was –

RESOLVED:

1. That the following amendments to the Draft Rates Policy approved by the Council on 31 March 2009 vide Minute No. BCC 89/09, be accepted :
 - (a) Paragraph 1 – The wording “Purpose of this final draft policy” has been amended to read “Purpose of this policy”.
 - (b) Paragraph 8 – The heading has been changed from “Recommendations with regard to property categories” to “Property categories”.
 - (c) Paragraph 8 – The first sentence has been changed from “It is recommended that the following property categories be provided for” to “Provision is made for the following property categories”.
 - (d) Paragraph 11 – The heading has been changed from “Recommended categories of property owners” to “Categories of property owners”.
 - (e) Paragraph 11 – The first sentence has been changed from “In terms of the provisions of section 8 of the MPRA it is recommended that provision be made for the following categories of property owners” to “In terms of the provisions of section 8 of the MPRA provision is made for the following categories of property owners”.
 - (f) Paragraph 11.13 – Insert new paragraph 11.13 that reads “Owners of properties who do not enjoy the full range of municipal services”.
 - (g) Paragraph 13.7 – Properties owned by Senior Citizens (i.e. property owners who are sixty (60) years or older, in possession of a bar coded ID document, is the registered owner of the primary property for which relief is sought, resides permanently on the property, and whose gross monthly income does not exceed five thousand rand (R5000). The paragraph has been amended to read “Properties owned by Senior Citizens.”

(MINUTE NO.BCC 159/09 CONTD.)

BUFFALO CITY COUNCIL : 4/06/2009

- (h) Paragraph 13.10 – Agricultural properties owned by *bona fide* farmers. The paragraph has been amended to read “Agricultural properties owned or leased for agricultural purposes by bona fide farmers.”
- (i) Paragraph 14.10.7 – Properties owned by Senior Citizens (i.e. property owners who are sixty (60) years or older, in possession of a bar coded ID document, is the registered owner of the primary property for which relief is sought, resides permanently on the property, and whose gross monthly income does not exceed five thousand rand (R5000) : Applications must be accompanied by documentary proof of the status of the owner’s monthly income. The paragraph has been amended to read “Properties owned by Senior Citizens. Applications must be accompanied by documentary proof of the status of the owner’s monthly income. The monthly income amount as determined by Council from time to time.”
- (j) Paragraph 14.10.13 – Insert new paragraph 14.10.13 that reads “Properties of owners that do not receive the full range of municipal services. Applicants must indicate :
- The availability and condition of the municipal roads in respect of the policy.
 - The availability of municipal sewerage.
 - The availability of municipal electricity.
 - The availability of municipal supplied water.
 - The availability of municipal refuse removal.
2. That the Property Rates Policy as amended, attached to Report No. 13 of the Executive Mayor to the Special Council meeting held on 4 June 2009, be and is hereby ADOPTED by the Council.
3. That the response to the formal submission by the Real People Housing Company and Real People Urban Properties as set out on page 726 of the Executive Mayor’s report, be amended to reflect that the share block properties such as those referred to by them, will in all cases be rated as “commercial” as opposed to “residential” properties.

[NOTE : Councillors Fritz, Smit, Mahebe and Rademeyer recorded their dissents against the above decision.]

BUFFALO CITY COUNCIL : 4/06/2009

BCC
160/09 APPROVAL OF BUFFALO CITY MUNICIPALITY'S
INTEGRATED DEVELOPMENT PLAN 2009/10

The attached report (Annexure A) which had been circulated to Councillors only prior to the Special Council meeting held on 29 May 2009, but deferred to this meeting, was considered.

Councillor Gomba made a presentation based on the copy attached hereto (Annexure B) as well as the Medium Term Revenue and Expenditure Framework Budget 2009/10 to 2011/12 attached to Minute No. BCC 161/09 hereof.

Following the presentation, the Executive Mayor proposed, seconded by Councillor Matika, that the Integrated Development Plan 2009/2010 be adopted by the Council.

Councillor Rademeyer stated that none of the issues raised by Councillor Gomba during her presentation were new and the Democratic Alliance Councillors recorded their dissent against the adoption of the Integration Development Plan.

RESOLVED:

That the Buffalo City Municipality's Reviewed Integrated Development Plan (2009/10), circulated to Councillors prior to the Special Council meeting which took place on 29 May 2009, but deferred and attached hereto, be ADOPTED by the Council.

[NOTE : Councillors Fritz, Smit, Mahebe and Rademeyer recorded their dissents against the above decision.]

BUFFALO CITY COUNCIL : 4/06/2009

Annexure Page

BUFFALO CITY COUNCIL : 4/06/2009

BCC 161/09 2009/2010 MEDIUM TERM REVENUE AND EXPENDITURE (MTREF) BUDGET

*** The attached additional documents (Annexure C) in the above regard were tabled at the meeting.

It was explained that concerns are always expressed regarding under-expenditure/performance which results in roll-overs and thus clarification was sought from officials. The documents tabled provides explanations for roll-overs as well as corrects issues not captured. It was stated that while there is performance, the way the budget is crafted does not provide insight to the Council regarding movement.

*** Councillor Gomba proceeded to make a presentation based on the document attached hereto (Annexure D), as well as the annexure attached to Minute No. BCC 160/09 hereof. In conclusion she requested that the date in recommendation 11 of Report No. 14 of the Executive Mayor be amended to read 8 June 2009 as opposed to 1 June 2009, as set out in resolution no. 10 hereof.

The Executive Mayor proposed, seconded by Councillor Matika, that the budget be approved by the Council, subject to the amendment proposed by Councillor Gomba.

Councillor Mdyolo also spoke in support of adoption of the budget, while Councillor Fritz requested that the Democratic Alliance Councillors' dissent be recorded against the decision.

RESOLVED:

1. That the annual budget for the financial year 2009/10; and the indicative budget for the two projected outer years 2010/11 and 2011/12 be approved as set out in the following annexures attached to Report No. 14 of the Executive Mayor to the Special Council meeting held on 4 June 2009 :-
 - (a) Annexure 1 – National Treasure Tables A1 to A10
 - (b) Annexure 2 – Detailed Operating Projects
 - (c) Annexure 3 – Detailed Capital Projects

2009/2010 Budget	2,953,609,113	1,015,284,095	3,968,893,208
2010/2011 Budget	3,335,777,694	520,092,098	3,855,869,792
2011/2012 Budget	3,919,895,974	799,340,382	4,719,236,352

BUFFALO CITY COUNCIL : 4/06/2009

(MINUTE NO.BCC 161/09 CONTD.)

2. That approval be granted for the increase in tariffs and charges with effect from 1 July 2009 in respect of the following :-

(a) Service Tariffs

Sewerage	11%
Refuse	11%
Water	11%
Electricity	34%

(b) General Rates on property

That it be NOTED that the Rates Tariffs have been determined taking into account the market value of properties in terms of the Municipal Rates Property Act, No. 6 of 2004 and the following tariffs are thus APPROVED by the Council, it being noted that the tariffs are rated in the rand on market value :-

Residential property	0.00537
Agricultural property	0.00134
Public service infrastructure	0.00134
Commercial property	0.01342
Education at institutions	0.00376
Rural Communal land	0.00000
Vacant Land	0.00161

(c) Miscellaneous tariffs as set out in the detailed tariff book (Annexure 7)

3. That an indigent subsidy be granted to registered indigents in terms of the Council's Indigent Policy as amended from time to time.
4. That an indigent consumer be given a maximum subsidy on his account of R304,83, per month, which includes a maximum of 50kwh for electricity and 6kl for water.
5. That free basic electricity be granted to a registered indigent consumer of 50kwh per month.
6. That free basic water be granted to a registered indigent of 6Kl per month.

BUFFALO CITY COUNCIL : 4/06/2009

(MINUTE NO.BCC 161/09 CONTD.)

7. That no new capital expenditure be undertaken until all funding has been obtained and approved by the Council.
8. That loan funding only be allocated to those projects, which will result in the creation of a capital asset for the City.
9. That approval be granted to roll over committed expenditure of R9,1 million for operating projects and R38,4 million for capital projects funded from Own Funding and Capital Replacement Reserve.
10. That the Municipal Manager advertises the Council's 2009/10 tariffs on 8 June 2009 for public inspection in terms of Section 75A (3) of the Municipal Systems Act, No. 32 of 2000.
11. That the Council notes that the National Treasury supporting schedules were attached to the report of the Executive Mayor referred to in paragraph (1) hereof as Annexure 1B.
12. That the Council APPROVES the Tariff Policy (Annexure 4) and the Investment and Cash Management Policy (Annexure 5) attached to the report of the Executive Mayor referred to in paragraph (1) hereof.

[NOTE : Councillors Fritz, Smit, Mahebe and Rademeyer recorded their dissents against the above decision.]

BUFFALO CITY COUNCIL : 4/06/2009

Annexure Page

BUFFALO CITY COUNCIL : 4/06/2009

(The meeting terminated at 3.35 p.m.)

JFA/avdb/pvz
(MINUTES/2009/SBCC4-6)
(18-6, 22-23-6 ; 24-6 ;