Notice is hereby given that a SPECIAL MEETING of the MUNICIPAL COUNCIL of Knysna Municipality will be held in the COUNCIL CHAMBER, Clyde Street, Knysna on THURSDAY, 15 JUNE 2017 at 09:00 to consider the business set forth in the attached agenda.

Kennis geskied hiermee dat 'n SPESIALE VERGADERING van die MUNISIPALE RAAD van Knysna Munisipaliteit in die RAADSAAL, Clydestraat, Knysna op DONDERDAG, 15 JUNIE 2017 om 09:00 gehou sal word ten einde sake soos uiteengesit in die aangehegte agenda te oorweeg.

Isaziso ESIBALULEKILEYO SENTLANGANISO yeBHUNGA likaMASIPALA waseKnysna eyakubanjelwa KWIGUMBI LEKHANSILE kwisitalato iClyde, Knysna lentlanganiso iyakuba NGOLWESINE, NGE 15 ISILIMELA 2017 ngentsimbi ye 09:00 umba iyakubalushishino oluchazwe kwi-agenda.

CLLR G R WOLMARANS
The Speaker
Die Speaker
Usomlomo

MR J DOUGLAS
Acting Municipal Manager
Waarnemende Munisipale Bestuurder
uManejala KaMasipala Obambeleyo

Date: 14 June 2017
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AGENDA

1. OPENING AND WELCOMING
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6.1

SC01/06/17 KNYSNA FIRE DISASTER RELIEF FUND ESTABLISHED FOR HUMANITARIAN AID AND RECONSTRUCTION

REPORT FROM THE DIRECTOR : FINANCIAL SERVICES

1. Legal framework

The Municipal Finance Management Act, Section 12 states that:

Relief, charitable, trust or other funds

(1) No political structure or office-bearer of a municipality may set up a relief, charitable, trust or other fund of whatever description except in the name of the municipality. Only the municipal manager may be the accounting officer of any such fund.

(2) A municipality may in terms of section 7 open a separate bank account in the name of the municipality for the purpose of a relief, charitable, trust or other fund.

(3) Money received by the municipality for the purpose of a relief, charitable, trust or other fund must be paid into a bank account of the municipality, or if a separate bank account has been opened in terms of subsection (2), into that account.

(4) Money in a separate account opened in terms of subsection (2) may be withdrawn from the account without appropriation in terms of an approved budget, but only-

(a) by or on the written authority of the accounting officer acting in accordance with decisions of the municipal council; and

(b) for the purposes for which, and subject to any conditions on which, the fund was established or the money in the fund was donated.

2. The Purpose of the Fund

The Knysna Fire Disaster Relief Fund has been established to meet the immediate needs of thousands of Knysna residents who have been affected by the devastating fire that raged through the municipal district from 6th June to 16th June 2017. It is a fund that is intended to address the short, medium and long-term needs and reconstruction requirements of Knysna for the benefit of all our residents, communities, businesses and visitors. Donated monies will be utilised to address the following eight broad areas:

Humanitarian relief, trauma counselling, public works employment as part of the clean-up process, environmental management to, among other things, prevent mud slides and ensure rehabilitation, infrastructure, business support, economic development and reconstruction.

Humanitarian Assistance:

The public has generously responded to the immediate needs of the hundreds of people displaced due to the loss of their homes and possession. Donations of blankets, food, toiletries and clothing have met much of the initial requirements. However, rehousing takes time and there will be a need to provide medical care, shelter, mattresses, household utensils, water and numerous other items for some period of time to enable people to get back on their feet.
There will also be a need to assess the damage to farming, livestock, wildlife and household pets and what support should be provided.

**Trauma Counselling and Support**

The scale of the devastation and the impact on people, many of whom are young children and the elderly, has affected the whole town directly or indirectly. People have experienced life-threatening situations from which they barely escaped, often with only the clothes they were wearing. Expert counselling will be required, in varying degrees, for those directly affected by tragic loss as well as those who witnessed the ravages of the fire. The ability for Knysna to rebuild the town as a tourist destination with a thriving community will depend on how well those living in the town overcome their shared experience and trauma.

**Environmental management**

Among the reasons that the fire was so devastating was because of the drought, shortage of water, and proliferation of alien vegetation particularly wattle and eucalyptus. Fires generally result in an increased growth spurt of these invasive species, laying the seeds for an even more devastating fire in the future. Programmes must be put in place to continuously remove and limit the new growth of wattle or eucalyptus. At the same time the hillsides and dunes that have been laid bare by the fires need to be rehabilitated as a matter of urgency. Should there be heavy rainfall, mud slides can destroy more homes. Consequent siting can damage the Knysna River Estuary and the lagoon with long term effects on the water and eco-system.

**Infrastructure**

Knysna is a town with a growing residential population and a significant tourist destination. The fire seriously damaged infrastructure affecting the provision of **electricity, water and sewage**. It also showed how dangerous the existing road system is with the exits from Knysna in all directions closed due to the ferocious fires. The replacement and upgrading of existing infrastructure should receive priority attention, enabling reliable power, water provision, storage and usage, better waste management, modern communication highways and improved road, rail and water transport.

**Business Support**

Many unique small and medium sized businesses have been devastated by the fires, particularly timber mills and furniture factories that have made their name using indigenous woods such as yellowwood, blackwood etc. The fund will be utilised to provide support of varying kinds to assist small businesses to restart, or new ventures to come into being. This will provide the means for Knysna to regenerate its unique business opportunities and the tourism sector.

**Reconstruction**

All of the above outlines what should form part of the reconstruction of Knysna in the interests of all its communities. It should enable the Knysna Municipality to develop a comprehensive reconstruction and development plan that will enable growth and prosperity in the years ahead.
Employment

The Fund, in giving effect to the framework of support outlined above, needs to focus on local employment and the use, as far as possible, of local artisans, builders, suppliers, skills and expertise. This also provides an opportunity for upgrading local skills and re-establishing industrial and artisan expertise.

3. Conditions of establishment of the fund

The fire has resulted in the destruction of property, homes, the displacement of hundreds of people, health hazards including smoke inhalation and trauma, loss of small businesses and jobs and has had a major impact on the economic activity in the town and surrounding farming and tourism area. The fund has been established in terms of Section 12 of the MFMA as quoted above. In the interests of good governance and transparency, it is decided that a new bank account be opened.

4. Municipal Council Resolution of framework for which funds can be used

a. The proposal for the establishment of the KNYSNA FIRE DISASTER RELIEF FUND, being the emergency fund established for the purpose of collection and allocation of funds donated in support of the devastating fires that have ravaged the Knysna Municipality, be considered and approved;

b. The Knysna Emergency Fund be established in terms of the MFMA Section 12(2);

c. That a Separate bank account in the name of Knysna Municipality be opened to deposit money received by the fund mentioned in (b) above as stipulated in Section 12(2) and (3) of the MFMA;

d. That it be noted that the Municipal manager is the accounting officer of the fund and the bank account in terms of Section 12(1);

e. That the money from the bank account mentioned above be withdrawn, from time to time, on the written authority of the accounting officer and used only for the following purposes as indicated in paragraph 2 above;

f. The Municipal Manager be delegated the authority to bring in any expertise that may be required for any specific tasks related to the purpose of the fund. This committee to comprise at least a maximum of six people represented as follows:

Faith-based
Knowledgeable and Respected Community member
Accounting and Audit firm
Banking Sector
Municipal Manager
Chief Financial Officer

g. The Council approve that a working committee be established by the accounting officer;

h. A reputable and recognised accounting/auditing firm be appointed by the Municipal Manager as the fund administrators of the funds municipal manager.
5. Specific bank account

In keeping with Section 12, clause 3 of the MFMA, the Knysna Municipality has opened a new bank account, namely:

KNYSNA FIRE DISASTER RELIEF FUND

Nedbank Knysna  
Branch Code 198765  
Account No: 1147920699

The accounting officer is the Municipal Manager (MM). The MM and the Chief Financial Officer (CFO) are the two authorised signatories to the account. Both signatures are required for any withdrawals from the account.

6. Approval mechanism

Recognising the need for timely action and the avoidance of undue delays, the approval mechanism should enable rapid processing of the allocation of funds without undermining the imperative of competence, value for money, local employment and the highest level of accountability.

A specific application form that will enable sufficient and streamlined information which minimises red tape should be developed and provided by the accounting officer for use in all requests. This will enable submissions to be dealt with expeditiously. Applications should be submitted in the prescribed form to the municipal manager. Such applications will be evaluated by a panel established to assist the municipal manager in making decisions, including an assessment of all relevant verification processes, within a maximum of 30 days after receipt of the application. Such a panel will make recommendations to the municipal manager on whether to provide funds for the proposal or not. Reasons for the recommendation, whether approved or declined, must be provided and decisions taken no later than 10 working days after submission. The applicants must be notified of the outcome of their application with 5 working days of the decision being made.

7. Administration of the Fund

In terms of Resolution adopted at the Knysna Municipal Council Meeting held on (15 June 2017), the accounting officer be delegated and mandated to appoint an accounting firm as the Administrator of the KNYSNA FIRE DISASTER RELIEF FUND.

Regular reports will be provided to Council detailing funds received, as well as documentation showing acknowledgement to donors.

Administration costs must not exceed 10 per cent of funds received. Nor can any commissions be paid for the solicitation of donations.

Such costs will be paid on a monthly basis in keeping with an agreed process providing proof of costs incurred and expenditure approved and allocated.

The funds can only be expensed in terms of the framework as decided by Council resolution and duly authorised by the accounting officer. However, money can be withdrawn from the Fund without appropriation in terms of an approved budget, but only on the written authority of the accounting officer acting in accordance with decisions of the Municipal Council. Moreover,
use of such funds are solely for the purposes for which, and subject to the conditions on which the fund was established or, if a donation has been specifically earmarked, spent solely in terms of such stipulation.

8. Accountability and Reporting

Recognising the extent of the devastating impact the fires have had on the Knysna community, regular reporting and the highest standard of public accountability are imperatives. The Knysna Municipality must ensure that communication with residents and donors through all available means is paramount. A comprehensive, clear and effective communication strategy must inform the public with regard to the amount of monies received, amounts of money allocated and for what projects, as well as progress made regarding all the areas identified as the purpose of the fund.

The Council must receive weekly reports from the accounting officer that provides details of:
   A) Donations Received, including an updated list of donors
   B) Disaster relief funds received from national and/or provincial government
   C) Donations in kind, including a list of donors where possible

   There needs to be a weekly report to Council of requests for funds, the status of each such request, approvals of requests and status of actions taken to implement the function/task/construction that has been approved.

   The Administrators must provide the accounting officer with a daily/weekly report of funds received and expended. The Executive Mayor and Council should receive a weekly report from the accounting officer.

   Regular reports of funds received and status of various projects should be publicly available on an ongoing, updated basis. A quarterly report that covers both the financial status of the fund and project initiatives should be tabled before Council. This should also include the Internal Audit Reports once available.

9. Decisions Taken

Council, in session on the 15 of June 2017 hereby takes the following decisions:

Approves the Resolution as submitted before Council
Approves the purpose and approach as set out in this document
Mandates the Municipal Manager to give immediate effect to the Resolution and other measures outlined in this duration of the fund

The fund shall continue until all amounts in the fund have been used for the purpose set out in Clause 2 and to meet any administration costs as contemplated in 7.

10. Conclusion

An enormous task lies ahead. While the current focus is on the immediate needs of the people who live, visit or work in the greater Knysna area, there should be no disjuncture between the short, medium and long-term goals and objectives. There is an opportunity now to envisage how Knysna could be in the future, what our town could look like, how our estuary and unique location, flora and fauna will continue to be the bedrock on which we build our shared future.
There has been extensive international media coverage of the Knysna fire disaster. This provides an opportunity for Knysna to call on international expertise and best practice experience to work with us in our reconstruction efforts. Above all, there is the opportunity to work together to make our town a better place for all who visit, holiday or live here.

**RECOMMENDATION FROM THE ACTING MUNICIPAL MANAGER**

[a] That the report regarding the setting up of the Knysna Emergency Fund, be noted and approved;

[b] That a Knysna Fire Disaster Relief Fund, in terms of Section 12 of the Local Government: Municipal Finance Management Act, 2003, (MFMA), be set up;

[c] That a separate bank account in the name of Knysna Municipality be opened to deposit money received by the Fund mentioned in [b] above, as stipulated in Sections 12(2) and (3) of the MFMA;

[d] That it be noted that the (Acting) Municipal Manager is the Accounting Officer of the Fund and bank account as mentioned above;

[e] That money from the bank account mentioned above be withdrawn, from time to time, on the written authorization of the Accounting Officer and shall be used only for the purposes as set out in Clause 2 of the submission to Council;

[f] The proposal for the establishment of the **KNYSNA FIRE DISASTER RELIEF FUND**, being the emergency fund established for the purpose of collection and allocation of funds donated in support of the devastating fires that have ravaged the Knysna Municipality, be considered and approved;

[g] The Knysna Emergency Fund be established in terms of the MFMA Section 12(2);

[h] That a separate bank account in the name of Knysna Municipality be opened to deposit money received by the fund mentioned in [b] above as stipulated in Section 12(2) and (3) of the MFMA;

[i] That it be noted that the Municipal Manager is the accounting officer of the fund and the bank account in terms of Section 12(1);

[j] That the money from the bank account mentioned above be withdrawn, from time to time, on the written authority of the accounting officer and used only for the following purposes as indicated in paragraph 2 above;

[k] That the Municipal Manager be delegated the authority to bring in any expertise that may be required for any specific tasks related to the purpose of the fund and that this committee to comprise at least a maximum of six people represented as follows:
- Faith-Based
- Knowledgable and Respected Community member
- Accounting and Audit Firm
- Banking Sector
- Municipal Manager
- Chief Financial Officer
[I] That the Municipal Council approve that a working committee be established by the Accounting Officer;

[m] That a reputable and recognised accounting/auditing firm be appointed by the Municipal Manager as the fund administrators of the funds.

Execution: Municipal Manager
Director: Financial Services
7. Adjournment

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