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, 30 MARCH 2017 at 09:00 to consider the business set forth in the attached agenda.

Kennis geskied hiermee dat ‘n SPEISIALE VERGADERING van die MUNISIPALE RAAD van Knysna Munisipaliteit in die RAADSAAL, Clydestraat, Knysna op DONDERDAG, 30 MAART 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 iClydee, Knysna lentlanganiso iyakuba NGOLWESINE, NGE 30 EYOKWINDLA 2017 ngentsimbi ye 09:00 umba iyakuba lushishino oluchazwe kwi-agenda.

CLLR G R WOLMARANS
The Speaker

MR J DOUGLAS
Acting Municipal Manager

Date: 27 March 2017
# SPECIAL COUNCIL MEETING
## AGENDA
### 30 MARCH 2017

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AGENDA

1. OPENING AND WELCOMING
2. SILENT PRAYER
3. ATTENDANCE OF MEMBERS
   3.1 COUNCILLORS PRESENT
   3.2 COUNCILLOR WITH LEAVE
   3.3 COUNCILLORS WITHOUT LEAVE
5. DISCLOSURE OF INTERESTS BY COUNCILLORS
6. MATTERS Submitted by THE ACTING MUNICIPAL MANAGER

6.1

SC01/03/17 TABLING OF ANNUAL BUDGET 2017/2018-2019/2020

REPORT FROM THE DIRECTOR FINANCIAL SERVICES

PURPOSE OF THE REPORT

Section 16 of the Municipal Finance Management Act states as follows:

16. Annual Budgets

(1) The Council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.

(2) In order for a municipality to comply with subsection (1), the Mayor of the municipality must table the annual budget at a Council meeting at least 90 days before the start of the budget year.

(3) Subsection (1) does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

BACKGROUND

Section 17 (3) of the MFMA states:

"When an annual budget is tabled in terms of Section 16(2), it must be accompanied by the following documents:

(a) Draft resolutions –
   (i) approving the budget of the municipality;
   (ii) imposing any municipal tax and setting any municipal tariffs as may be required for the budget year; and
   (iii) approving any other matter that may be prescribed;

(b) measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the municipality's integrated development plan;

(c) a projection of cash flow for the budget year by revenue source, broken down per month;

(d) any proposed amendments to the municipality's integrated development plan following the annual review of the integrated development plan in terms of Section 34 of the Municipal Systems Act;

(e) any proposed amendments to the budget-related policies of the municipality;
(f) particulars of the municipality’s investments;

(g) any prescribed budget information on municipal entities under the sole or shared control of the municipality;

(h) particulars of all proposed new municipal entities which the municipality intends to establish or in which the municipality intends to participate;

(i) particulars of any proposed service delivery agreements, including material amendments to existing service delivery agreements;

(j) particulars of any proposed allocations or grants by the municipality to —
   (i) other municipalities;
   (ii) any municipal entities and other external mechanisms assisting the municipality in the exercise of its functions or powers;
   (iii) any other organs of state; (iv) any organisations or bodies referred to in Section 67 (1);

(k) the proposed cost to the municipality for the budget year of the salary, allowances and benefits of —
   (i) each political office-bearer of the municipality;
   (ii) Councillors of the municipality; and
   (iii) the Municipal Manager, the Chief Financial Officer, each senior manager of the municipality and any other official of the municipality having a remuneration package greater than or equal to that of a senior manager;

(l) the proposed cost for the budget year to a municipal entity under the sole or shared control of the municipality of the salary, allowances and benefits of —
   (i) each member of the entity’s Board of Directors; and
   (ii) the Chief Executive Officer and each Senior Manager of the entity; and

(m) any other supporting documentation as may be prescribed.

DISCUSSION

All of the above are contained in the Medium Term Revenue and Expenditure Framework (MTREF) attached as well as the various annexures. The tariff increases are shown in summary in Section 20 and in detail in Annexure 3.

mSCOA

The Municipal Regulations on a Standard Chart of Accounts (mSCOA) is applicable to all municipalities and municipal entities with effect from 01 July 2017. Knysna Municipality was selected as a pilot side and as a pilot site it is expected to be fully compliant with mSCOA effective 1 July 2016.

The mSCOA project of National Treasury and the resources required, human and financial, to undertake it successfully is imposing strains upon the administration. MSCO is not a simple financial system change, it is a change in the manner in which Council undertakes and reports on its business activities.
Section 22 of the MFMA states:

22. Publication of annual budgets Immediately after an annual budget is tabled in a municipal Council, the Accounting Officer of the municipality must –
   (a) in accordance with Chapter 4 of the Municipal Systems Act –
      (i) make public the annual budget and the documents referred to in Section 17 (3); and
      (ii) invite the local community to submit representations in connection with the budget; and
   (b) submit the annual budget –
      (i) in both printed and electronic formats to National Treasury and the relevant Provincial Treasury, and
      (ii) in either format to any prescribed National or Provincial organs of state and to other municipalities affected by the budget.

Section 23 of the MFMA states:

23. Consultations on tabled budgets

   (1) When the annual budget has been tabled, the municipal Council must consider any views of - (a) the local community; and (b) the National Treasury, the relevant Provincial Treasury and any Provincial or National organs of state or municipalities which made submission on the budget.

   (2) After considering all budget submissions, the Council must give the Mayor an opportunity – (a) to respond to the submissions; and (b) if necessary, to revise the budget and table amendments for consideration by the Council.

   (3) The National Treasury may issue guidelines on the manner in which municipal Councils should process their annual budgets, including guidelines on the formation of a committee of the Council to consider the budget and to hold public hearings.

   (4) No guidelines issued in terms of subsection (3) are binding on a municipal Council unless adopted by the Council.

FINANCIAL IMPLICATIONS


RELEVANT LEGISLATION

MFMA Section 16 and 17.

RECOMMENDATION FROM THE ACTING MUNICIPAL MANAGER

[a] That the attached 2017/18 MTREF and its annexures be circulated for public participation and the submission of representations;

[b] That the closing date for submissions as mentioned in [a] above, be on Friday, 4 May 2017.
APPENDIX / ADDENDUM

Annual Budget MTREF 2017/18 (to be circulated on a compact disc).

File Number: 9/1/2/10
Execution: Director: Financial Services
           Acting Manager: Budget Office
6.2

SC02/03/17    2017 – 2021 DRAFT INTEGRATED DEVELOPMENT PLAN (IDP)

REPORT FROM THE DIRECTOR PLANNING AND DEVELOPMENT

PURPOSE OF THE REPORT

The purpose of this report is to table the draft 2017 - 2021 4th Generation IDP of Knysna Municipality to Council.

BACKGROUND

In terms of section 25(1) of the Local Government: Municipal Systems Act (Act 32 of 2000):

Each municipal Council must, within a prescribed period after the start of its elected term, adopt a single, all-inclusive and strategic plan for the development of the municipality which:

a) Links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;
b) Aligns the resources and capacity of the municipality with the implementation plan;  
c) Complies with the provisions of this Chapter; and  
d) Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

A draft IDP together with the annual budget must be tabled to the Council on or before 31 March 2017 in terms of the process plan adopted by the Council for the Integrated Development Planning process. Subsequent to the tabling of the draft IDP, it will be advertised for public comment and further input will be invited from all relevant stakeholders. This 4th Generation IDP aims to highlight the new Vision, Mission and Values of the Council of Knysna Municipality. It also identifies specific Strategic Objectives and development strategies which Council is going to focus on during its tenure of office. This IDP will inform the MTREF budget of the municipality in order to improve the livelihoods of the various communities in the Greater Knysna Municipal Area.

RELEVANT LEGISLATION

As stated above.

RECOMMENDATION FROM THE ACTING MUNICIPAL MANAGER

[a] That the tabling of the draft 4th Generation Integrated Development Plan (IDP) for 2017 – 2021, be noted;

[b] That the draft 4th Generation IDP for 2017- 2021 be made available for public perusal and comment;

[c] That the final draft of 4th Generation Integrated Development Plan (IDP) for 2017 – 2021 be submitted to the Municipal Council, after comments and inputs have been considered and incorporated.
APPENDIX / ADDENDUM

To be circulated.

File Number: 9/1/2/13
Execution: Director: Planning and Development
Manager: IDP
REPORT FROM THE ACTING MUNICIPAL MANAGER

PURPOSE OF THE REPORT

To report to the Municipal Council on the complaints levelled against Cllr Velile Waxa and to refer the matter to the Council’s Disciplinary Committee to investigate and make a finding on any alleged breach of provisions of the Code of Conduct for Municipal Councillors and to make an appropriate recommendation to the Municipal Council.

BACKGROUND

In terms of Section 13 of the Code of Conduct for Municipal Councillors, it is the duty of the Speaker (the chairperson of the Municipal Council), if on reasonable suspicion, is of the opinion that a provision of the code has been breached the Speaker must:

a) authorise an investigation of the facts and circumstances of the alleged breach;

b) give the Councillor a reasonable opportunity to reply in writing regarding the alleged breach;

c) report the matter to a meeting of the Municipal Council after paragraph (a) and (b) have been complied with.

A complaint against Cllr Waxa was lodged to the Speaker’s office.

The complainant alleged that Cllr Waxa breached the Code of Conduct for Councillors and Section 118 of the MFMA in that on or about the 6th of December 2016, Cllr Waxa interfered in the procurement processes of the Knysna Municipality by appointing a contractor to effect certain building and clearing works, following a fire in the area known as Love Corner, White Location. It is alleged that Cllr Waxa of his own accord and without any consultation or assistance of the administration entered into an agreement with the contractor appointed by him with regards to price and scope of work.

It is further alleged that Cllr Waxa interfered in the management or administration of the Integrated Human Settlements department, without being mandated by the Municipal Council to do so. It is further also alleged that Cllr Waxa gave or purported to give instruction to officials from the Integrated Human Settlements in relation to the building of emergency housing following the Love Corner fire, without being authorised to do so by Council and encouraged or participated in conduct which could cause or result in maladministration in Council.

A separate complaint was levelled against Cllr Waxa wherein the complainant alleged that Cllr Waxa breached Section 2 of the Code of Conduct for Councillors. It is alleged that Cllr Waxa on or about the 10th of December 2016 and at Templeman Square was involved in an incident with a member of the public, whereby Cllr Waxa threatened the said member of the public and made racist remarks aimed at the said member of the public.

It is further alleged that Cllr Waxa incited violence by encouraging other stall owners at Templeman Square, to threaten the member of the public. It is further alleged that Cllr Waxa
through his actions, intimidated the member of the public to such an extent that she feared that herself and her minor children would be physically harmed.

The Speaker has made a determination, that on reasonable suspicion, she is of the opinion that a provision of this Code has been breached. The office of the Speaker provided Cllr Waxa with a reasonable opportunity to reply in writing to the alleged breach. Despite having been provided with an extension to respond to the allegation, Cllr Waxa failed to provide any responses on or before the deadline for submission thereof.

Council, during its inaugural meeting of 15 August 2016, established a Code of Conduct Committee as provided for in Section 14(1)(b) of the Code. The matter is hereby referred to the said Committee to proceed with the same as provided for in paragraph 14(1)(b)(i) and (ii).

**RELEVANT LEGISLATION**

Code of Conduct for Municipal Councillors (Schedule 1 of Municipal Systems Act).

**RECOMMENDATION FROM THE ACTING MUNICIPAL MANAGER**

That the allegation of breach of the Code of Conduct for Councillors levelled against Cllr Velile Waxa be referred to the Council’s Disciplinary Committee to proceed with the matter as provided for in Section 14(1)(b)(i) and (ii) of the Code.

**APPENDIX / ADDENDUM**

None

File Number: 9/1/2/14
Execution: Acting Municipal Manager
Manager: Legal Services
7. Closure

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