

# Concerned Citizens Committee to Save Makana

Representing Members of:

Grahamstown Residents Association, Grahamstown Business Forum & Makana Unity League

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## To the Residents and Business Community of Grahamstown

Makana Municipality

Sarah Baartman District

Eastern Cape

By e-mail directly and to the media

21 November 2017

## **“Do you trust Makana’s Political Representatives? To speak for you? To work in your interests? To save Grahamstown?”**

This letter is a call to action, to raise funding in preparation for court action.

In brief, various individuals and organisations have attempted to intervene to stop the rot in Makana and turn around the municipality. We are sad to report that the constructive offers by the citizenry have been delayed or simply ignored by our Makana Council.

Now, a team of Makana residents have undertaken to pursue legal options where necessary to rescue Makana expeditiously and effectively. This letter sets out the rationale and approach being taken. Court action is not our first choice, all avenues are being used.

We are a small community who need to stand together, shoulder to shoulder and defeat the mismanagement and patronage that is robbing our City of the means to provide services and look after the most vulnerable. Your future welfare and living standards are at stake.

Donations may be large or small depending on your means – PLEASE COUNT YOURSELF IN - as one of the people who cares about Grahamstown, prepared to stand for social justice and turning Makana around. Our biggest hope is that your donated funds will be returned because Makana is transformed into a viable, well-managed Municipality without the need for litigation. But we must get ready.

Thank you for listening. You will find banking details below for the Trust Account held by Attorneys for safekeeping.

Dear fellow citizens,

We have all been let down. It is obvious to all that Makana municipality is falling apart under the current leadership and that urgent and radical change is needed. These problems hit the poorest hardest.

In June Concerned Citizens came together and called for Makana Council to be dissolved and placed under Administration. Now we know the EC MEC of CoGTA, Hon. Xasa has written to the Mayor of Makana asking; “Why shouldn’t Makana be placed under Administration?” Last week the Unemployed Peoples’ Movement marched on City Hall and repeated our demand. Even the Makana branch of a political party issued a press statement demanding that Makana municipality be placed under Full Administration.

It is clear that we speak for most of the population when we state that Makana, despite 20 months of *partial* Administration, is still broken and dysfunctional in nearly all respects. Sadly, we have become highly critical of our political representatives who have consistently let us down.

Following the previous *partial* Administration, Makana Council was left with a plan which it had a statutory duty to implement. It has failed to do so. The plan clearly sets out actions necessary to resolve issues of debt and governance.

Provincial government has a responsibility to oversee progress on implementing the plan, which it in turn has failed to do. The breaches of the Constitution and legislation are serious, and mean that we have all been let down. It is the reason we are where we are today, with a broken indebted municipality. So, what can ordinary citizens like us do to change course?

After years of empty promises we must face the hard truth; we have no reason to place any confidence in our politicians at local or any other level. Whilst we will do our part to engage and reach negotiated solutions, we have to be ready to use the courts to intervene where laws are being broken. Makana municipality is at a critical point, and we cannot afford further delaying tactics.

CCCSM has communicated clearly from the start that Makana needs a TSMM with the skill set detailed in Annexure B below. He/ she must also have the mandate to make necessary changes with support, so that changes are not delayed and blocked. Due to the level of dysfunction, debt and the requirement to review and reconfigure the structure at Makana municipality, it will take at least 18 months to achieve a full turnaround. The process will also need engagement and support from businesses, residents and key stakeholders.

To achieve the above CCCSM will continue to communicate and engage at all levels of government, we will monitor and push for action. However, to guarantee progress we must be prepared with a menu of legal options and secure the means to litigate. Knowledgeable, talented and qualified experts are assisting us with advice and access to information. We need to raise a 'War Chest' to be in a position to act decisively.

We continue to press our case, appealing to reason and statutory responsibilities. But, if court action proves necessary we must be ready. We cannot possibly do this unsupported. Please decide to stand with us. We do not aim to spend the monies raised unless our politicians make it inevitable. One way or another we aim to achieve action and may hold individuals personally accountable. Councillors hold a position of power and need to secure our trust.

Your monetary contributions will be held in a secure account, and optimally, we will return your money in full in about 18 months (1<sup>st</sup> September 2019) unused. We do not presume to make all decisions and through our constituent bodies will hold one or more public meetings early in 2018 so that you have the opportunity to share in the decision to litigate, or not as the case may be.

Our 'war chest' trust bank account is already receiving donations and we welcome any contribution. Please ensure you select 'Savings' as account type.

Bank:	Nedbank
Account:	CCCSM - LEGAL ACCOUNT
CS Account Number:	9020384999
Branch Code:	198765
Account Type:	SAVINGS
Reference:	<b><i>Your name/organisation's name</i></b>

**NOTE:** In order for donations to be returnable you MUST email proof of payment to [warchest@grahamstownresidentsassociation.co.za](mailto:warchest@grahamstownresidentsassociation.co.za) together with your contact details (may require a separate email). Any unused donations not claimed within 2 years will be used for constructive projects in Makana.

Yours sincerely,

*Ron Weissenberg*

**Concerned Citizens Committee to Save Makana**

Per: Ron Weissenberg, Chairman

Addendum: "Annexure A" – Further Background Information  
"Annexure B" - The skill set/timeframe for a Turnaround Specialist Municipal Manager

# Annexure A

## Further Background Information:

Documents showing the history, commitments and broken promises, experienced by Makana citizens can be found by clicking on this link: [http://grahamstownresidentsassociation.co.za/?page\\_id=2](http://grahamstownresidentsassociation.co.za/?page_id=2)

A firm verbal commitment for the deployment of a Turnaround Specialist Municipal Manager (TSMM) commencing 27<sup>th</sup> September 2017 has long since passed with no explanation being given.

The Turnaround Specialist Municipal Manager (TSMM) we were promised on 28<sup>th</sup> July did not start on 27<sup>th</sup> September, nor 16<sup>th</sup> October, nor 1<sup>st</sup> November and now we are told he will arrive on 1<sup>st</sup> December. We are highly critical of the decision to delay the start of TSMM so that he is due to start just as the workforce are readying for their main holidays.

Repeated official written communications to the Mayor's office and follow up communications to the Office of the Premier since our last formal contact on 18<sup>th</sup> October 2017 have received no acknowledgement.

The Mayor's office finally agreed to a meeting on the 8<sup>th</sup> November, at which the CCCSM delegation asked for answers to two questions:

- 1) The date of the commencement of duties of the Makana Turnaround Specialist Municipal Manager (TSMM), seconded by the Office of the Premier.
- 2) Assurances that the TSMM is being appointed with necessary timeframe, competency, skills, authority and mandate to make urgent and critical changes.

We also reminded the Mayor of commitments she made in the presence of the Office of the Premier on the 28<sup>th</sup> July 2017. The minute's state: *"That when the Official to be seconded by COGTA comes in, a platform be created to engage with the Makana Stakeholders on how to move Makana forward. (That's where CCCSM will also have an opportunity to make its submission of Turnaround Focus Areas)." And "That the Municipality need to improve on its communication."*

The Mayor answered by informing us that the TSMM would start on 1 December 2017 on a three month contract. She declined to name The TSMM or provide any details of his abilities or qualifications, claiming it was against protocol. She refused to acknowledge the contents of the CCCSM 'Annexure B' requirements for the TSMM, and made it clear that she would not assist in convening nor participate in any meetings with the new TSMM. She instructed CCCSM to send a letter to the current acting MM asking her to forward our request to meet the incoming TSMM. She said it was the TSMM's decision whether he wished to engage or not.

The CCCSM suspended the legal action calling for s.139 (5) Administration based on the pledges made by Makana Council in the belief that there might be a will to change course and work towards solutions.

# Annexure A continued

Points to consider as you decide whether to stand with us:

1. **Despite the lack of capable leadership, there are many Makana employees, from junior staff to senior operational management who are exceptional and carry out their duties with amazing resilience and diligence. They deserve good, sustainable leadership. It also provides genuine reason to be optimistic that the situation can be recovered.**
2. We have no assurance that the incoming TSMM has the requisite skill-set, mandate or enthusiasm; all of which are critical qualities needed for a turnaround specialist.
3. Makana Council is in crisis with most resolutions not implemented. The financial position means that Amatola Water has walked away due to non-payment, Eskom are threatening rolling blackouts due to non-payment. All repairs take longer than necessary as suppliers demand upfront payment due to previous non-payment. Makana Council placed a moratorium on overtime since 26<sup>th</sup> June 2016, overtime has not reduced, with R2,077,086 spent in 1<sup>st</sup> quarter of current year.
4. In addition to an overall debt amounting to R164 Million. Makana also has a R50 Million DBSA loan to repay. If we divided up the debt it means over R20,000 of debt per rate-paying household.
5. The electricity payments made to Makana by customers are regularly diverted to pay wages and other expenses, rather than Eskom. Makana is then forced to catch up each quarter by paying the Equitable Share grant to Eskom.
6. Equitable Share is a grant from government for the provision of services for “indigents” (unemployed/ no income) communities.
7. If the TSMM is competent and capable, the delay in his appointment means that the situation at Makana has deteriorated further since July .December will be a difficult time of year for him to make any impact, being a major holiday period.
8. We are fully aware of the recent revelations of endemic corruption in South Africa through the publication of books such as ‘How to Steal a City: The Battle for Nelson Mandela Bay’ by PARI researcher and doctoral fellow Crispian Olver.
9. Here in Makana we have our own Kabuso Report. The findings were released in 2015 yet most of the wrong-doing hasn’t been resolved, with fraudulent monies not repaid and a failure to prosecute. We can only speculate how much more corruption is occurring under cover of the financial chaos happening every day here in Grahamstown. Are these the interests our politicians seek to protect and hide behind a smokescreen of apparent incompetence?

# ANNEXURE “B”

## **Municipal Commercial Turnaround Specialist (MCTS) / Administrator (Adm).**

### **Description of Appointee**

The role, which is anticipated to take 2 years, is required to lead in:

1. Quickly developing a challenging and achievable commercial plan that will assure the viability of the municipality.
2. Be correctly supported, empowered and authorised by the Municipality or Provincial/national government structures to implement the commercial plan.
3. Define a clear sense of mission and manage its implementation.
4. Demonstrate strong, optimistic leadership
5. Setting the Vision, Strategy and Direction
6. Re-establishing relationships with rates and service payers, suppliers, investors, and lenders
7. Motivating for appropriate grants and investments required to take the Municipality forward. while focusing on improving the financial and operational performance.

Apart from management ability this position also requires strong leadership and business knowledge - mainly supported by financial and legal knowledge. Key Performance Indicators (KPI's) to be implemented across the municipality and appointed MCTS/Adm needs to strengthen the team ensuring the municipality improves its level of service and delivery.

This role requires the ability to build trust, negotiate, delegate, and bring inclusivity, even within an often hostile process.

The role requires the crucial ability of implementing the commercial plan.

### **Profile of Appointee**

The MCTS / Adm needs analysis, evaluation and perceptive skills, sound commercial judgement and to choose the appropriate remedial measures. Decisive leadership and develop a rescue plan that will be supported and implemented.

The MCTS /Adm is required to have a high degree of commercial acumen, confidence and well developed interpersonal skills. Furthermore, an individual

who is ambitious, energetic and a credible strategic business builder with the desire and tenacity to drive the Municipality towards growth while retaining stability.

**Minimum Requirements:**

- A Graduate Qualification in Business Leadership.
- 10 to 15 years of hands on leadership and management experience in a sizeable company or municipality.
- An established and referenced track record of business turnaround specialisation and business rescue.

**Characteristics of Appointee:**

- Demonstrate strong integrity, passion and focus; motivates, leads, and empowers others to achieve organisational goals (strong credibility and confidence required)
- Complete commitment to commercial sustainability, goals and values
- MCTS /Adm must have the ability to establish trust, involve affected parties, negotiate deals, communicate effectively, and delegate functions as part of managing the enterprise
- Ability to focus on the vision and to communicate that vision to stakeholders
- Strong decision making abilities – apply problem-solving processes; evaluate options; exercise judgement; and make rapid and accurate decisions, with or without detailed analysis and strategizing
- Passion for overall municipal excellence
- Can demonstrate entrepreneurial flair.

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