

## **MOGALAKWENA LOCAL MUNICIPALITY**

### **COUNCIL**

#### **MINUTES OF THE SPECIAL COUNCIL MEETING OF THE MOGALAKWENA MUNICIPALITY HELD IN THE LLEKA LEKALAKALA COUNCIL CHAMBER, CIVIC CENTRE, MOKOPANE ON THURSDAY, 29 JANUARY 2009 AT 16:00**

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#### **PRESENT**

AS PER ATTACHED ATTENDANCE REGISTER.

#### **OFFICIALS**

Messrs.	L J SEBOLA	-	ACTING MUNICIPAL MANAGER
	T S MOGASHOA	-	MANAGER: TECHNICAL SERVICES
	G A HUDSON	-	MANAGER: TRAFFIC AND EMERGENCY SERVICES
	J N FOURIE	-	MANAGER : ELECTRICAL SERVICES
	M P MASHOTJA	-	DEPUTY MANAGER: DEVELOPMENTAL SERVICES
	L J PIETERSE	-	DEPUTY MANAGER: TECHNICAL SERVICES
	S P MALAHLELA	-	DIVISIONAL HEAD: LEGAL SERVICES
Mesdames.	I A DE VILLIERS	-	ACTING MANAGER: CORPORATE SERVICES
	W D JOUBERT	-	ACTING CHIEF FINANCIAL OFFICER
	M C NGOAKO	-	SENIOR CLERICAL ASSISTANT

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#### **1. OPENING**

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The speaker welcomed all present and requested that a moment of silence be observed.

#### **2. APPLICATION OF MEMBERS FOR LEAVE OF ABSENCE**

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Applications for leave of absence were received from councillors S D Magongoa, L J Lebelo, M N Somo, R E Mothibi, N V Mashamaite, N S Montane, M I Mogotlane, T E Mokhonoana, M L Mashao, M S Tefu, N R Thema and M J Chauke.

#### **RESOLVED:**

THAT leave of absence from a special council meeting held on 29 January 2009 be granted to councilors councillors S D Magongoa, L J Lebelo, M N Somo, R E Mothibi, N V Mashamaite, N S Montane, M I Mogotlane, T E Mokhonoana, M L Mashao, M S Tefu, N R Thema and M J Chauke.

3. **2008/2009 MID-YEAR REVIEW AND ADJUSTMENT BUDGET** **(11/2/1)WJ**  
**(ITEM 3 SPECIAL EC 29 JANUARY 2009)**

**RESOLVED:**

THAT

- a) the adjustment budget 2008/2009 as contained in the special executive committee agenda dated 29 January 2009, be approved.
- b) it be noted that the transfers of funds within the same vote are delegated to the municipal manager or acting municipal manager and this can be done when the need arises during the budget year under review.
- c) it be noted that the MIG projects for 2009/2010 has been included in the adjustment budget to enable the municipal manager or acting municipal manager to appoint the necessary appointments during the 2008/2009 municipal financial year as the financial year of sector departments commences on 1 April 2009.
- d) it be noted that the shortfall on the Capital Replacement Reserve will be funded from surpluses from previous financial years and not the current year's operational budget and it also be noted that after this funding, the surplus funds from the previous years will be exhausted.
- e) it be noted that no capital projects will be funded from the CRR from the 2009/2010 financial year except for those projects that have already started in the 2008/2009 financial years.
- f) council resolution dated 26 November 2008 (item 31) be implemented once the municipality has the funds to upgrade the Eskom connection to Mokopane.
- g) it be noted that where tenders have already been advertised and the project was removed from the budget it will be regarded as a fruitless expenditure but this will be explained to the auditors that due to the lack of funding the municipality didn't have a choice but not to award the tender.
- i) before advertising and filling of vacant positions HR, the relevant department must consult with the chief financial officer or acting chief financial officer to establish whether the budgeted amount for vacant positions was not moved to other votes.
- j) before an order for store items is issued the manager technical and/or the manager: electrical services must approve the RFQ's to prevent excessive prices for store items which is having a direct impact on the budget.
- k) capital roll-overs to the 2009/2010 financial year be put on hold as far as projects from own funding and the equitable share are concerned but this will not apply to MIG, DWAF and other external funding sources except the equitable share.

- l) serious intervention be made politically with the DME to receive the grant of R9,8 million grant from the DME with immediate effect and it be noted that the funds will be allocated to the west substation and not the central substation.
- m) no further RDP housing, excluding rural areas, or any other development be allowed until critical municipal services such as water, storm water, sewer effluent, the sewer plant and the Eskom connection have been upgraded or the bulk services are funded by the relevant department or the developer.
- n) all further development of erven be put on hold until the financial situation of the municipality has improved.
- o) legal processes be initiated against all debtors in arrears, starting with a 90 day notice with regard to making arrangements for the amortization of the debt after which action of attachment of movable- or immovable properties are made provided that legal interventions are undertaken internally.
- p) the selling of pre-paid electricity be blocked where a consumer is in arrears until the full outstanding amount has been paid or an arrangement agreement has been signed.
- q) serious measures be implemented to collect the outstanding R14 136 297,11 from government departments indebted to the municipality, including a request to Provincial Treasury to withhold these amounts from the budgets of the various provincial departments in favour of Mogalakwena Municipality.
- r) the possible cash flow problem that the municipality might encounter, be noted.
- s) initiate an internal recovery plan, which must consist inter alia of the following:
  - i) explore the possibilities of areas in which taxes and tariffs can be increased with minimum impact;
  - ii) re-value extension 12 erven and explore the possibility of re-advertisement of the sale of those erven;
  - iii) explore the possibility of buy back arrangement with banks to ensure financing of the relevant erven, but especially with regard to the 10% deposit;
  - iv) explore the possibility of selling the municipal debtor's book;
  - v) no further approvals of private housing development be entertained until our financial position is stabilized;
  - vi) reduce Mogalakwena Municipality's appetite for risk;
  - vii) pursue the following cost cutting measures until the CRR is cash backed to the extent to which service delivery is not hindered:

- 1) no purchase of furniture, office equipment, vehicles, computer equipment except with the approval of the municipal manager or acting municipal manager;
  - 2) printing and stationary - no glossy prints, pamphlets and no stock piling of A4 and other paper stock;
  - 3) catering for all meetings and general staff refreshments withhold;
  - 4) no printing and procuring of paraphernalia, like caps, t-shirts, etcetera.
  - 5) no overnight accommodation unless approved by the municipal manager or acting municipal manager;
  - 6) maximize passenger capacity per vehicle for all trips;
  - 7) workshops, conference, symposiums – what value will it bring within the financial rescue plan?
  - 8) contract management – negotiate with service providers downwards;
  - 9) advertising costs especially re-advertisement and erratum notices be withhold.
  - 10) no year-end and farewell functions to be financed by Mogalakwena Municipality; and
  - 11) our situation to be reported to the district as their municipal rating is directly related and therefore possibly affected by our financial situation.
- t) the budget of R4 million for Tshamahanzi roads for 2009/2010 be moved to Mahwelereng storm water and the IDP be adjusted accordingly.
- u) monthly reports be submitted to the executive committee regarding the progress of the financial recovery plan.

**4. ANNUAL REPORT: 2007/08 (11/2/1)LJS**  
**(ITEM 4 SPECIAL EC 29 JANUARY 2009)**

Annexure C attached to the minutes was distributed to councillors during the meeting which forms part of the annual report.

**RESOLVED:**

THAT

- a) the annual report for 2007/08 financial year attached as pages 89 to 224 to the special executive committee agenda dated 29 January 2009, be approved.

- b) the annual report be submitted to the various portfolio committees before it is advertised for public comment.
- c) the annual report be published for public to comment after its consideration by council.

**5. MOGALAKWENA MUNICIPALITY: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT FOR 2008/09 FINANCIAL (6/1/1/33) (11/3/2)LJS (ITEM 5 SPECIAL EC 29 JANUARY 2009)**

Annexure A and B attached to the minutes was distributed to councillors during the meeting and which must form part of the agenda. Annexure A replaces pages 287 and 288 of the special executive committee agenda. Annexure B is an addition to the agenda.

**RESOLVED:**

THAT

- a) the revisions to the service delivery and budget implementation plan be communicated to the public during the IDP/Budget roadshow in March 2009 and through the print media.
- b) it be noted that the mid-year budget and performance assessment report for 2008/09 had already been submitted to the Department of Local Government and Housing and that the council resolution with amendments if any, shall be submitted not later than 1 February 2009.
- c) it be noted that there was a need to adjust the budget as per reasons outlined in the adjustment budget report.
- d) the mid-year budget and performance assessment report for 2008/09 financial year, attached as pages 228 to 288 to the special executive committee agenda dated 29 January 2009, be adopted.
- e) in the next executive committee meeting tangible targets of the managers obligations be submitted.

**The meeting closed at 16: 30.**

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**SPEAKER**

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**DATE**