

## **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 MONDAY, 31 MAY 2010 AT 16:02**

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#### **PRESENT**

#### **COUNCILLORS**

AS PER ATTACHED ATTENDANCE REGISTER.

#### **OFFICIALS**

Messrs.	L J SEBOLA	-	ACTING MUNICIPAL MANAGER
	S T MOGASHOA	-	MANAGER: TECHNICAL SERVICES
	J N FOURIE	-	MANAGER: ELECTRICAL SERVICES
	M H THOBEJANE	-	MANAGER: CORPORATE SUPPORT SERVICES
	G A HUDSON	-	MANAGER: TRAFFIC & EMERGENCY SERVICES
	K J MPHAGO	-	CHIEF FINANCIAL OFFICER
	H S M NGOEPE	-	CHIEF OPERATIONS OFFICER
	K D MALEPA	-	DEPUTY MANAGER: TECHNICAL SERVICES
	M P MASHOTJA	-	DEPUTY MANAGER: DEVELOPMENTAL SERVICES
	M C LESHILO	-	DIVISIONAL HEAD: LEGAL SERVICES
Mesdames.	I A DE VILLIERS	-	DEPUTY MANAGER: CORPORATE SUPPORT SERVICES
	W D JOUBERT	-	DEPUTY MANAGER: FINANCE
	D E MAILULA	-	MANAGER: DEVELOPMENTAL SERVICES
	R MADIBELA	-	COUNCIL SECRETARIAT OFFICER

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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 R E Thobakgale, N M Sethoga, M Selomo, K R Chokoe, M J Shiburi, C D T Monkwe, L D Langa, N M Motabo, M M Lamola, A Cachalia and J D van Heerden.

#### **RESOLVED:**

THAT leave of absence from a special council meeting held on 31 May 2010 be granted to councillors R E Thobakgale, N M Sethoga, M Selomo, K R Chokoe, M J Shiburi, C D T Monkwe, L D Langa, N M Motabo, M M Lamola, A Cachalia and J D van Heerden.

**3. TOWN PLANNING: ALLOCATION OF RESIDENTIAL ERVEN TO THE COMMUNITY OF BLACK ROCK ON PORTIONS OF MAHWELERENG TOWNSHIP (UNIT A, B & C) (17/3/4)SP**  
**(ITEM 3 AGENDA SPECIAL EC 31 MAY 2010)**

**RESOLVED:**

THAT

- a) the allocation of erven to the qualifying beneficiaries of Black Rock community be approved subject to the following conditions:
  - i) the manager: corporate support services be responsible for the allocation of erven;
  - ii) Town Planning section be responsible for the identification of beacons (pegs) of all erven;
  - iii) Deed of Grant (Proof of ownership) be submitted to the municipality in exchange of new residential or business erven;
  - iv) affected churches will also be allocated erven on the newly demarcated areas.
  - v) the municipality demolishes the structures at Black Rock as and when it is vacated.
- b) the municipality gives notice for a period of 28 working days on the affected area (Black Rock) notifying beneficiaries of the allocation of erven, including the responsible official, place and times when the allocation will start.
- c) deeds of grants be applied for in respect of low income beneficiaries.
- d) a meeting be arranged with affected beneficiaries to explain the process.
- e) it be noted that the exchange of erven is in full and final settlement and no claim can be instituted against the municipality for improvements that have been damaged by the soil conditions or the demolishing of the vacated structures.
- f) owners who have been provided with low cost houses also submit original deed of grants.
- g) all persons living in Bargain also be allocated erven in the same way and the erf prices be negotiated.

**4. FINAL DRAFT REVIEWED INTEGRATED DEVELOPMENT PLAN: 2010/11  
FINANCIAL YEAR (17/3/4)DE  
(ITEM 4 AGENDA SPECIAL EC 31 MAY 2010)**

**RESOLVED:**

THAT

- a) it be noted that the final reviewed Integrated Development Plan for 2010/11 financial year is aligned to the final draft budget for 2010/11 financial year as submitted by the finance department.
- b) council note that the draft reviewed Integrated Development Plan for 2010/11 financial year has been taken for community participation from 13 April to 29 April 2010.
- c) community inputs and action plans on the draft IDP and budget be noted.
- d) it also be noted that the Municipal Turnaround Strategy forms part of the Integrated Development Plan as directed by the Departments of Local Government and Housing and Co-operative Governance and Traditional Affairs.
- e) municipal departments implement programmes and projects as outlined in the executive summary of the Municipal Turnaround Strategy.
- f) communities note that the timeframes for implementation of Municipal Turnaround Strategy depicted as December 2010 in the executive summary shall actually be 30 June 2011 from a municipal perspective.
- g) the final draft reviewed Integrated Development Plan for 2010/11 financial year attached as pages 77 to 210 of the special executive committee agenda dated 31 May 2010, be approved.
- h) project designs form an annexure to the final document after adoption by council.
- i) that Service Delivery and Budget Implementation Plans (SDBIPs) be submitted by the due date as prescribed by legislation.

**5. WRITING-OFF OF ASSETS DUE TO GRAP CONVERSION (6/12/1/2/2)KJM  
(ITEM 5 AGENDA SPECIAL EC 31 MAY 2010)**

**RESOLVED:**

THAT

- a) the assets indicated on pages 213 to 216 attached to the executive committee agenda dated 31 May 2010 be written-off and removed from the asset register of the municipality.

- b) the assets indicated on pages 217 to 237 attached to the executive committee agenda dated 31 May 2010 be included on the municipality's asset register.
- c) a further report be submitted in respect of the assets that must be disposed of.
- d) an asset disposal policy be developed and submitted for approval.

**6. FINAL 2010/11 TO 2012/13 MEDIUM TERM REVENUE AND EXPENDITURE  
FRAMEWORK: 2010/11 FINANCIAL YEAR (6/1/1/34)KJM  
(ITEM 6 AGENDA SPECIAL EC 31 MAY 2010)**

The mayor delivered his budget speech which is attached as Annexure A to the minutes.

**RESOLVED:**

THAT

- a) the final annual budget for the financial years 2010/11 as set out in the following tables and schedules be approved:
  - i) Budget summary reflected as table A1 (attached as page 313).
  - ii) Budgeted Financial Performance (revenue and expenditure by standard classification) reflected as table A2 (attached as pages 314 to 316).
  - iii) Budgeted Financial Performance (revenue and expenditure by municipal vote) reflected as table A3 (attached as pages 317 to 321).
  - iv) Budgeted Financial Performance reflected as table A4 (attached as page 322).
  - v) Budgeted Capital Expenditure by vote, standard classification and Funding reflected as table A5 (attached as pages 323 to 325).
  - vi) Budgeted Financial Position reflected as table A6 (attached as page 326).
  - vii) Budgeted Cash Flows reflected as table A7 (attached as page 327).
  - viii) Cash backed reserves/ accumulated surpluses reconciliation reflected as table A8 (attached as page 328).
  - ix) Asset Management reflected as table A9 (attached as page 329).
  - x) Basic Service Delivery Measures reflected as table A10 (attached as page 330).

- xi) Supporting information, charts and explanations of trends and anomalies for each table reflected as table SA1 – SA 37 (attached as pages 331 to 373).
- b) in terms of section 14 of the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA) the assessment rates reflected in Annexure A (pages 387 to 391 to the executive committee agenda dated 31 May 2010) be approved for the budget year 2010/11 and a further rebate be granted to limit the increase in rates for moving from the site rating system to the system of rating the total value of the property and in the event of such increase being 40% (forty percent) or more (between the rates that were payable on 30 June 2008 and on the rates that were payable on 1 July 2008- The property owner paid the first 40% in 2008/09 and the difference will be paid as follows:
  - i) the limit for the additional increase above 40% for the 2008/09 financial year is 25% of the difference.
  - ii) the limit for the additional increase above 40% for the 2009/10 financial year is 50% of the difference.
  - iii) the limit for the additional increase above 40% for the 2010/11 financial year is 75% of the difference.
  - iv) as from the 2011/12 financial year, full rates will be payable:

Provided that this rebate does not apply to an increase in rates owing to a supplementary valuation made in terms of section 78(1) of the MPRA.

- c) in terms of section 75A of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) the tariffs and charges reflected in Annexure B to G attached as pages 392 to 402 to the special executive committee agenda dated 31 May 2010, be approved for the financial year 2010/11.
- d) in terms of section 75A of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) an average of 19% increase on the electricity tariffs as reflected in Annexure H attached as pages 403 to 410 to the special executive committee agenda dated 31 May 2010, and subject to the approval of NERSA, be approved.
- e) the amended Tariff Policy attached as pages 374 to 386, the amended Rates Policy, Credit control and debt collection by-law, Indigent Policy, Investment and Cash Management Policy and Supply Chain Management Policy attached as pages 411 to 505 to the special executive committee agenda dated 31 May 2010, be approved for the budget year 2010/11.
- f) the new asset management policy and asset management procedure attached as pages 506 to 547 to the special executive committee agenda dated 31 May 2010, be approved for the budget year 2010/11.
- g) transfer of savings in respect of the operating budget be limited to expenditure within the same vote and expenditure category unless the mayor authorizes the transfer.

- h) the 2010/11 capital and operating budget be submitted to National Treasury and Provincial Treasury in both electronic and printed format immediately after tabling the budget.
- i) interest on all amounts in arrears be charged at the rate determined from time to time in terms of the provisions of the Prescribed Rate of Interest Act, 1975 (Act 54 of 1975) or any other relevant Act.
- j) it be noted that section 53(1)(c)(ii) of the MFMA provides that the Mayor must take all reasonable steps to ensure that the municipality's Service Delivery and Budget Implementation Plan is approved by the Mayor within 28 days after the approval of the budget.
- k) it be noted that the contracts for the re-gravelling of roads in the 3 SDA's will be terminated on 30 June 2011.
- l) it be noted that the blanket approach for free basic electricity to all will be terminated with the exception of indigents that will still receive the 50kwh:  
  
from 1 July 2010      - 0 kwh for non-indigents
- m) it be noted that the final job evaluation results from SALGBC have not yet been issued to the municipality but the municipality has however, as a contingent measure, made provision on the budget for the implementation of the salaries in the 2010/11 budget year and final amendments will be done with the adjustment budget.
- n) it also be noted that there will no longer be any water tankering from external service providers from 1 July 2010 and the municipality will acquire four additional water tankers in the 2010/11 financial year and provide the service through internal resources and that 12 drivers for the water tankers will be appointed on a two year contract, thereafter they will be appointed on a temporary basis each year until the water crisis in Mogalakwena has been addressed.
- o) it also be noted that if a consumer is in arrears on his rates, levies and other services the selling of pre-paid electricity/water must be reduced to 30% of the amount paid and the balance of 70% be allocated to the arrear account until the full outstanding amount has been paid or an instalment agreement has been signed and if the consumer defaults on the instalment agreement the selling of pre-paid electricity/water again be reduced with 70% with immediate effect as well as that defaulting consumers will be prohibited from renewing their vehicle license registrations.

- p) the following indigent welfare package for 2010/11 be approved:

<b>Package Indigent</b>	<b>Compilation for</b>	<b>09/10 excluded)</b>	<b>R(Vat</b>	<b>10/11 excluded)</b>	<b>R(Vat</b>
Rates – R100 000					
Valuation		33.79		35.82	
Refuse (up to 500 m2)		30.76		32.61	
Sewerage (up to 500 m2)		15.74		16.68	
Electricity – 50kwh		33.33		30.50	
Water – 6kl		38.10		40.77	
Total indigent package per month		151.72		156.38	

- q) ward committee members be provided with R500,00 per month stipend as from 1 July 2010 from the salary budget of vote 46.
- r) the SALGBC Collective Agreement and wage curve agreement together with job evaluation results when received, be implemented as is.

**7. INCREASE: ELECTRICITY TARIFFS (18/4/2)JF**  
**(ITEM 7 AGENDA SPECIAL EC 31 MAY 2010)**

**RESOLVED:**

THAT

- a) the increase in Eskom's tariffs as approved by NERSA and the implication it will have on council's expenditure and income, be noted.
- b) the implications of the tariff structure changes required by NERSA, be noted as well as the fact that it will decrease council's income by approximately R7 500 000,00 for the 2010/2011 financial year, and that a deficit of R4 100 000, 00 was calculated after changes had been made to the operational budget.
- c) the reduction of 2010/2011 Capital Expenditure amounts as indicated below in order to fund the deficit in b) *supra*, be approved.

<b>Item:</b>	<b>Source:</b>	<b>Original Budget:</b>	<b>New Budget:</b>
Resealing of Roads	Equitable Share	R7 500 000,00	R7 000 000,00
Central Substation	CRR	R4 300 000,00	R2 700 000,00
High Mast Lights	Equitable Share	R2 500 000,00	R 500 000,00

- d) the new tariffs be taken for community participation before implementation.

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- e) council stop supplying free basic electricity on a blanket coverage basis to all consumers.
- f) 50 KWH free basic electricity only be granted to consumers that are registered on council's indigent register.
- g) in terms of section 75A of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) the tariff structure changes and electricity tariffs as indicated on pages 601 to 608 to the executive committee agenda dated 31 May 2010, be approved with effect from 1 July 2010 or as soon as possible thereafter as approved by NERSA.
- h) the new tariffs be submitted to NERSA for approval.
- i) council approves the deletion of clause 15 of the electricity by-laws which is not applicable any longer with the implementation of block incline tariffs.

**8. MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT**  
**(6/1/1/37)(5/14)HSM**  
**(ITEM 8 AGENDA SPECIAL EC 31 MAY 2010)**

**RESOLVED:**

THAT the mid-year budget and performance assessment report be noted.

**9. ORGANISATIONAL REVIEW : 2010**  
**(5/1/B)I**  
**(ITEM 9 AGENDA SPECIAL EC 31 MAY 2010)**

**RESOLVED:**

THAT

- a) the amended organogram for the following departments be approved with effect from 1 July 2010:
  - Mayor's Office
    - page 642 with the renaming of protocol officer to Events / Protocol / Logistic Manager and the addition of 1 indigent supervisor and 4 indigent officers in the SDA's.
  - Speaker's Office
    - page 643 with the removal of the words "ward committee".
  - Municipal Manager
    - page 644 to 645 with the addition of a Communication Unit and a secretary for the Chief Operations Officer and the removal of the IDP section.
  - Corporate Support Services
    - pages 646 to 651.
  - Technical Services
    - pages 652 to 660.
- b) additional positions be filled during the 2010/2011 financial year.



- c) all employees placed in political offices be absorbed before the end of April 2011.
- d) the review of the organogram be done by the incoming council.

**10. PROCUREMENT OF PRIVATE SECURITY SERVICES (9/6/7/9)AS**  
**(ITEM 10 AGENDA SPECIAL EC 31 MAY 2010)**

**RESOLVED:**

THAT

- a) the procurement of private security services to complement the in-house security, be approved.
- b) the South African Local Government Bargaining Council certificate be noted.
- c) council enters into a service level agreement with the successful service provider which is renewable every twelve months.
- d) the traffic & emergency services portfolio committee develop a discussion document on how to utilize the in-house or private security for a longer term.

**The meeting closed at 16:45.**

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**SPEAKER**

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**DATE**