

MOGALAKWENA LOCAL MUNICIPALITY

COUNCIL

MINUTES OF A SPECIAL COUNCIL MEETING OF THE MOGALAKWENA MUNICIPALITY WHICH WAS SCHEDULED TO TAKE PLACE ON TUESDAY, 26 MARCH 2013, HELD IN THE LLEKA LEKALAKALA COUNCIL CHAMBER, CIVIC CENTRE, MOKOPANE ON WEDNESDAY, 27 MARCH 2013 AT 14:05

PRESENT

COUNCILLORS

AS PER ATTACHED ATTENDANCE REGISTER.

OFFICIALS

Messrs.	S W KEKANA	-	MUNICIPAL MANAGER
	K J MPHAGO	-	CHIEF FINANCIAL OFFICER
	J N FOURIE	-	MANAGER: ELECTRICAL SERVICES
	F L BUITENDAG	-	ACTING MANAGER: TRAFFIC & EMERGENCY SERVICES
	S HLUNGWANI	-	ACTING MANAGER : DEVELOPMENTAL SERVICES
	K D MALEPA	-	ACTING MANAGER: TECHNICAL SERVICES
	M G MATABANE	-	ACTING MANAGER: COMMUNITY SERVICES
Mesdames.	I A DE VILLIERS	-	ACTING MANAGER: CORPORATE SUPPORT SERVICES
	R MADIBELA	-	COUNCIL SECRETARIAT OFFICER

1. OPENING

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

2. APPLICATION OF MEMBERS FOR LEAVE OF ABSENCE

Applications for leave of absence were received from councillors M S Tlhaku, N V Mashamaite, M J Sekhu, L N Ngwetjana, R N Monene, R L Mahlaela, M D Phokela, D P Motlohoneng, M I Mogotlane, M W Mabuela and R E Mothibi.

RESOLVED:

THAT leave of absence from a special council meeting held on 27 March 2013 be granted to councillors M S Tlhaku, N V Mashamaite, M J Sekhu, L N Ngwetjana, R N Monene, R L Mahlaela, M D Phokela, D P Motlohoneng, M I Mogotlane, M W Mabuela and R E Mothibi.

3. SHORT-LISTING AND INTERVIEWS: SECTION 56 MANAGERS: CORPORATE SUPPORT SERVICES AND TRAFFIC & EMERGENCY SERVICES (5/3/B)MN
(ITEM 14 AGENDA EC 26 MARCH 2013)

RESOLVED:

THAT

- a) managers at senior level be invited from COGHSTA, SALGA Limpopo, Limpopo Provincial Treasury and Waterberg District Municipality to serve on the panels.
- b) the mayor, corporate support services portfolio chairperson (councillor N V Mashamaite), councillor M R Lebelo and the municipal manager be part of the short-listing and interview panels with regard to the position of the manager: corporate support services.
- c) the mayor, traffic & emergency portfolio chairperson (councillor M E Ramashala), councillor F M Mabuela and the municipal manager be part of the short-listing and interview panels with regard to the position of the manager: traffic and emergency services.
- d) panel members of the short-listing and interviews mentioned in a), b) and c) *supra*, be approved.

4. DRAFT REVIEWED INTEGRATED DEVELOPMENT PLAN: 2013/2014 FINANCIAL YEAR (17/3/4)SH
(ITEM 15 AGENDA EC 26 MARCH 2013)

RESOLVED:

THAT

- a) the draft Integrated Development Plan for 2013/2014 financial year, be approved.
- b) alignment of the draft IDP for 2013/2014 financial year with other plans and programmes from both private and public sectors be finalized during the integration phase.
- c) project designs form an annexure to the final document.
- d) it be noted that the projects are aligned to the draft capital budget for 2013/2014 financial year as submitted by finance department.
- e) it be noted that the draft reviewed IDP for 2013/2014 financial year will be taken out for community participation from 5 April 2013 to 14 April 2013 and that inputs from the communities shall be presented to IDP Steering Committee and IDP Representatives Forum for consideration before the final adoption of the 2013/2014 financial year reviewed IDP and budget.

- f) the final approval of the reviewed IDP by council be done before 31 May 2013.

**5. GRANT : SOVEREIGN TRUST : DUM SPIRO DEVELOPMENT CC (6/6/1)I
(ITEM 16 AGENDA EC 26 MARCH 2013)**

RESOLVED:

THAT the municipal manager be authorized to seek advice from the National Treasury and COGHSTA and a further report be submitted in the next meeting.

**6. DRAFT 2013/14 TO 2015/16 MEDIUM TERM REVENUE AND EXPENDITURE
FRAMEWORK: 2013/14 FINANCIAL YEAR (6/1/1/34)KJM
(ITEM 17 AGENDA EC 26 MARCH 2013)**

RESOLVED:

THAT

- a) the draft annual budget for the financial years 2013/14 to 2015/16 as set out in the following tables and schedules be noted:
- i) Budget summary reflected as table A1 (attached as page 562).
 - ii) Budgeted Financial Performance (revenue and expenditure by standard classification reflected as table A2 (attached as pages 563 to 565).
 - iii) Budgeted Financial Performance (revenue and expenditure by municipal vote) reflected as table A3 (attached as pages 566 to 568).
 - iv) Budgeted Financial Performance reflected as table A4 (attached as page 569).
 - v) Budgeted Capital Expenditure by vote, standard classification and Funding reflected as table A5 (attached as pages 570 to 572).
 - vi) Budgeted Financial Position reflected as table A6 (attached as page 573).
 - vii) Budgeted Cash Flows reflected as table A7 (attached as page 574).
 - viii) Cash backed reserves/ accumulated surpluses reconciliation reflected as table A8 (attached as page 575).
 - ix) Asset Management reflected as table A9 (attached as page 576).

- x) Basic Service Delivery Measures reflected as table A10 (attached as page 577).
 - xi) Supporting information, charts and explanations of trends and anomalies for each table reflected as table SA1 – SA 37 (attached as pages 578 to 627).
- b) the draft 2013/14 to 2015/16 capital budget as attached in pages 628 to 645 be noted.
- c) 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 attached as pages 646 to 649 to the executive committee agenda dated 26 March 2013 be noted for the budget year 2013/14.
- d) 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 650 to 667 to the executive committee agenda dated 26 March 2013, be noted for the financial year 2013/14.
- e) in terms of section 75A of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) the municipality will determine the average increase on the electricity tariffs once NERSA has provided the municipality with written confirmation of the electricity increase which is reflected in Annexure H attached as page 668 to the executive committee agenda dated 26 March 2013.
- f) the Tariff Policy attached as pages 669 to 681, the Rates Policy attached as pages 682 to 700, the Credit Control and Debt Collection Policy attached as pages 701 to 711, amended Indigent Policy attached as pages 712 to 717, the Investment and Cash Management Policy attached as pages 718 to 732, the Asset Management Policy attached as pages 733 to 764, the Asset Management Procedure Manual attached as pages 765 to 773 and the amended Supply Chain Management Policy attached as pages 775 to 853, the Irregular, Fruitless and Wasteful Expenditure Policy attached as pages 854 to 858, the Expenditure Policy and Procedure Manual attached as pages 859 to 867, to the special executive committee agenda dated 26 March 2013, be noted for the budget year 2013/14.
- 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 2013/14 capital and operating budget be submitted to National Treasury and Provincial Treasury in electronic format by 02 April 2013 and printed format by no later than 10 April 2013.
- 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 job evaluation results from SALGBC are no longer applicable and municipalities are required to conduct their own evaluations and that no provision was made on the budget for the implementation of the internal job evaluation results but if the results are available, they will be addressed through the adjustments budget 2013/2014.
- l) it be approved that if a consumer is in arrears on his rates, levies and other services the selling of pre-paid electricity/water be reduced to 30% of the amount paid and the 70% be allocated to the arrear account until the full outstanding amount has been paid or an installment agreement has been signed and if the consumer defaults on the installment agreement the selling of pre-paid electricity/water again be reduced with 70% with immediate effect and defaulting consumers will also be prohibited from renewing their vehicle license registrations.
- m) the following indigent welfare package for 2013/14 be approved:

Package Indigent	Compilation for	12/13 R(VAT excluded)	13/14 R(VAT excluded)
Rates – R100 000 Valuation		40.25	36.21
Refuse (up to 500 m2)		41.77	44.28
Sewage (up to 500 m2)		21.37	23.51
Electricity – 50kwh		45.25	48.64
Water – 6kl		54.96	60.46
Total indigent package per month		203.60	213.09

- n) the following be adhered to:
1. printing and stationery – no glossy prints, pamphlets and no stock piling of any stationery;
 2. no printing and procuring of paraphernalia, like caps, t-shirts, etcetera;
 3. no overnight accommodation unless approved by the municipal manager or acting municipal manager;
 4. maximize passenger capacity per vehicle for all trips;
 5. no farewell functions to be financed by Mogalakwena Municipality.

- o) the tariff increase for water will be 10% for the 2012/13 financial year.
- p) no sector department infrastructure projects to be accepted by the municipality without additional funds being allocated for the provision of bulk services and no new township development due to lack of resources to provide bulk services.
- q) no RDP houses to be built during the 2013/2014 financial year as the municipality has no funds to provide bulk services to these areas.
- r) all positions that become vacant during the 2012/2013 financial year must not be advertised without the prior approval of the municipal manager and the municipal manager in making his decision must check whether the position is needed or not.
- s) in the 2013/2014 financial year, the municipality has budgeted a deficit to fund the following:
 - Upgrade of Eskom connection R 5 000 000,00
 - Servicing of erven in Ext 13 R 9 000 000,00
 - Refurbishment Maturation Ponds R 15 000 000,00
 - 2 x 5ML Sewer Plant R 56 000 000,00
 - New Office Extension R 10 000 000,00
 - Water Meters Ext 19 R 6 000 000,00
 - Phola Park Water Meters R 3 000 000,00
- t) the municipality has also budgeted for a deficit of R84 000 000,00 for the 2014/2015 financial year.
- u) it be noted that after budgeting for a deficit, the municipality's reserves are almost depleted and therefore cost recovery is crucial.
- v) roll-over requests for 2012-2013 must be done in accordance with the conditions set out in MFMA circular 67.
- w) circulars 66 and 67 attached as pages 868 to 919 be noted.

The meeting closed at 14:35.

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SPEAKER

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DATE

