

MINUTES

of the

**3RD ORDINARY COUNCIL MEETING
FOR THE YEAR 2012**

of

MATJHABENG MUNICIPALITY

held on

TUESDAY, 29 MAY 2012

at

16:00

**COUNCILLORS ATTENDANCE: 3RD ORDINARY COUNCIL MEETING
MINUTES: 29 MAY 2012**

ANC

| PROPORTIONAL | | | |
|---------------------|--|-----|--|
| 1. | Ngangelizwe S (Executive Mayor) | 12. | Petleki KI |
| 2. | Chaka CP | 13. | Radebe MC |
| 3. | Kotzee D | 14. | Radebe ML |
| 4. | Mafa DM (Written Apology) | 15. | Sephiri MJ (Chief Whip) |
| 5. | Mafongosi ZV | 16. | Speelman NW (Written Apology) |
| 6. | Mbana MA | 17. | Stofile B (Speaker) |
| 7. | Menyatso KJ | 18. | Tlhone ML |
| 8. | Mkhusane NC | 19. | Tsubane ME |
| 9. | Molefi MJ | 20. | Twanana M |
| 10. | Motshabi MP | 21. | Vanga NM |
| 11. | Ntsebeng MH | 22. | Van Rooyen KV |
| WARD | | | |
| 23. | Dali VN (Absent) | 38. | Morris VR |
| 24. | Khalipha TD | 39. | Mosala MS |
| 25. | Mabote TL | 40. | Mothege MA |
| 26. | Madumise MM | 41. | Mphikeleli MA |
| 27. | Makgowe PV | 42. | Ntlele KI |
| 28. | Masienyane MD | 43. | Phetise ME |
| 29. | Mbambo AX | 44. | Qwasha GL (Written Apology) |
| 30. | Mfebe MSE | 45. | Riet MI |
| 31. | Mokausi LC | 46. | Sifatya Z |
| 32. | Mokhomo HA | 47. | Taliwe FE |
| 33. | Molelekoa PA | 48. | Thateng MJ (Written Apology) |
| 34. | Molelekoa PMI | 49. | Thelingoane TJ |
| 35. | Molete TN | 50. | Tlake KR |
| 36. | Molupe RT | 51. | Tsatsa SJ (Absent) |
| 37. | Monjovo NE | 52. | Tsubella KS (Absent) |

DA

| PROPORTIONAL | | | |
|---------------------|---------------------------------------|-----|--|
| 53. | Banyane ME | 58. | Marais JS |
| 54. | Beneke R | 59. | Mholo PP |
| 55. | Botha PF | 60. | Mlangeni MG |
| 56. | Fanie D | 61. | Mokotedi TG (Written Apology) |
| 57. | Fourie JJC (Written Apology) | 62. | Styger A |
| WARD | | | |
| 63. | De Villiers MT | 66. | Smit DC |
| 64. | Meyer KL (Vacant) | 67. | Van Rooyen MS |
| 65. | Naude HJ | 68. | Van Schalkwyk HCT |

II

COPE

| PROPORTIONAL | | | |
|--------------|---------------------------------------|-----|-------------|
| 69. | Matlebe MM (Written Apology) | 71. | Thoabala TE |
| 70. | May FG | | |

FF+

| PROPORTIONAL | |
|--------------|--------------|
| 72. | Taljaard SDM |

OFFICIALS

| | | |
|------------------|---|--|
| Mr G Ramathebane | : | Municipal Manager |
| Mr J Molawa | : | Acting Executive Director Corporate Support Services |
| Me M Mogopodi | : | Executive Director Social Services |
| Mr X Msweli | : | Executive Director LED & Planning |
| Mr LB de Bruyn | : | Acting Chief Financial Officer |
| Mr JKF Jankowitz | : | Snr Admin Officer (Corporate Services) |

III

SECTION A

1. **OPENING**

The Speaker welcomed everybody present and declared the meeting opened.

2. **APPLICATIONS FOR LEAVE OF ABSENCE**

See Councillors Attendance List on **pages I and II** of these minutes.

3. **OFFICIAL ANNOUNCEMENTS OF THE SPEAKER**

None

4. **MOTIONS OF SYMPATHY AND CONGRATULATIONS BY THE SPEAKER**

Sympathy

The Executive Mayor conveyed a message of condolences to the families of the following Members of Parliament – Mr Sicelo Shiceka (Former Minister Corporative Governance), Mr Roy Padayachie (Minister of Public Service and Administration).

Congratulations

Cllr TE Thoabala congratulated the Municipality on the opening of Road 200 in Thabong.

5. **DISCLOSURE OF INTEREST**

None

6. **TAKING OF THE OATH OF OFFICE BY NEW COUNCILLORS**

The Chief Magistrate, Mr Ferreira, administered the taking of the Oath by Cllrs KV van Rooyen and M Twanana.

7. **DEPUTATIONS AND INTERVIEWS**

None

8. **QUESTIONS OF WHICH NOTICE HAS BEEN GIVEN**

None

IV

9. MINUTES OF PREVIOUS MEETINGS

COUNCIL RESOLVED (29 MAY 2012)

That the minutes of the 2nd Ordinary Council meeting held on 27 March 2012 **BE APPROVED.**

10. MATTERS ARISING FROM THE MINUTES

A14/2012

DRAFT OVERSIGHT REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (3/1/3/4) (Chairperson of MPAC)

Cllr JS Marais enquired about the Action Plan on the recommendations submitted by MPAC and the Executive Mayor indicated that it would be submitted at the next Council meeting.

11. FORMAL SIGNING OF MINUTES

The Speaker indicated that he would sign the minutes after the meeting.

SECTION B

12. REPORTS OF THE SPEAKER IN TERMS OF RULES 15(1) AND 99(4)

A22/2012 – A23/2012

13. REPORTS OF THE EXECUTIVE MAYOR

A24/2012 – A31/2012

14. MOTIONS

None

15. CLOSING REMARKS

None

V

16. CLOSURE

The Speaker ended the meeting at **21:55**

.....
CLLR B STOFIE (SPEAKER)

.....
DATE

INDEX

| | | |
|-------------|---|-------------|
| 12. | SECTION B REPORTS OF THE SPEAKER | |
| | A22/2012 - A23/2012 | |
| 13. | SECTION C REPORTS OF THE EXECUTIVE MAYOR | |
| | A24/2012 – A32/2012 | |
| ITEM | ITEM DESCRIPTION | PAGE |
| | | |
| A22/2012 | REPORT: NON-ATTENDANCE BY COUNCILLORS OF THE COUNCIL MEETING HELD ON 27 MARCH 2012 (3/1/3/3) (Office of the Speaker) | 1 |
| | | |
| A23/2012 | PROGRESS REPORT ON THE REDETERMINATION OF MUNICIPAL BOUNDARIES BY THE MUNICIPAL DEMARCATION BOARD (Office of the Speaker) (18/1/1) | 1 |
| | | |
| A24/2012 | MONTHLY FINANCE REPORT – MARCH 2012 (ACFO) (12/1/2/3) | 2 |
| | | |
| A25/2012 | EXECUTIVE SUMMARY OF THE 2012-2013 ANNUAL BUDGET FOR THE MATJHABENG MUNICIPALITY (ACFO) (6/1/1 – 2012/2013) | 2 |
| | | |
| A26/2012 | DRAFT INTEGRATED DEVELOPMENT PLAN (2012-2016) (EDSSS) (18/1/18) | 4 |
| | | |
| A27/2012 | PROGRESS REPORT OF THE AG AUDIT QUERIES RAISED IN 2010/11 AUDIT REPORT (6/12/2/1) (ACFO) | 7 |
| | | |
| A28/2012 | APPLICATION FOR SPECIAL CONSENT: ERF 7974, EXTENSION 18, WELKOM (18/4/1/19) (EDSP) | 7 |
| | | |
| A29/2012 | RESIGNATION OF SECTION 56 MANAGER (5/2/2) (MM) | 9 |
| | | |
| A30/2012 | BARUCH PROJECT LINKED HOUSING SUBSIDY CONTRACT: THABONG T11/2: LAND AVAILABILITY AND CO-OPERATION AND SERVICES AGREEMENTS (LED) (20/14/4/3) | 10 |
| | | |

(ii)

| ITEM | ITEM DESCRIPTION | PAGE |
|-------------|---|-------------|
| A31/2012 | MATJHABENG LOCAL MUNICIPALITY WARD COMMITTEE FUNDING AND BUDGETING (Officer of the Speaker) | 10 |
| A32/2012 | APPOINTMENT OF AN ACTING EXECUTIVE DIRECTOR CORPORATE SUPPORT SERVICES (MM) (5/5/2) | 11 |
| | | |

1

//Cllr MS Mosala was unanimously appointed to Chair the meeting in order to enable the Speaker to present his items//

A22/2012

REPORT: NON-ATTENDANCE BY COUNCILLORS OF THE COUNCIL MEETING HELD ON 27 MARCH 2012 (3/1/3/3) (Office of the Speaker)

PURPOSE

To submit to Council a report on the non-attendance of Councillors of the Council meeting held on 27 March 2012.

DISCUSSIONS

The Speaker presented the report.

COUNCIL RESOLVED (29 MAY 2012)

That the report on the non-attendance by Councillors of the Council meeting held on 27 March 2012 **BE NOTED.**

A23/2012

PROGRESS REPORT ON THE REDETERMINATION OF MUNICIPAL BOUNDARIES BY THE MUNICIPAL DEMARCATION BOARD. (Office of the Speaker) (18/1/1)

PURPOSE

To submit to Council Circular 1/2012 issued by the Demarcation Board on the 5th April 2012.

DISCUSSIONS

The Speaker presented the report.

COUNCIL RESOLVED (29 MAY 2012)

That the progress report regarding the Municipal Demarcation **BE NOTED.**

//The Speaker resumed his position.//

A24/2012

MONTHLY BUDGET REPORT – MARCH 2012 (ACFO) (12/1/2/3)

PURPOSE

To submit to Council the Budget Report for March 2012 in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003.

DISCUSSIONS

The Executive Mayor presented the item.

COUNCIL RESOLVED (29 MAY 2012)

1. That the Budget Report for March 2012, in terms of Section 71 of the Municipal Finance Management Act, number 56 of 2003, **BE NOTED**.
2. That the Budget Report for March 2012 **BE SUBMITTED** to the Provincial and National Government.

A25/2012

EXECUTIVE SUMMARY OF THE 2012-2013 ANNUAL BUDGET FOR THE MATJHABENG MUNICIPALITY (ACFO) (6/1/1 – 2012/2013)

PURPOSE

To submit to Council the FINAL BUDGET for the 2012/2013 year.

DISCUSSIONS

The Executive Mayor presented his Budget Speech.

The DA proposed that the Operating as well as the Capital Budget be approved on condition that the following critical factors been considered and implemented as a matter of urgency.

1. Water Losses

At retail price Matjhabeng lost water to the value of R300 496 703.

3

2. Municipal Court and By-Law Enforcement

Council could generate a substantial amount per annum.

3. Enforcement of Council Policies, e.g. Credit and Indigent Policies

By implementing the policies there would be no need to make provision for bad debt.

4. Creditors Trade Discount

Creditors must be paid as per the requirement of the MFMA Legislation. Council could gain 2.5% Trade Discount on its creditors.

5. Zoning and Re-Zoning of Buildings from Residential to Business

Spatial Planning and Economic Development did not oversee the necessary law requirements.

6. Legal Cost and Contingencies

Our legal fees as per 31 March 2012 was R17 335 544.

Our contingency liabilities on 30 June 2010 was R46 923 681.

7. Buying and Purchasing of Goods and Materials

Supply Chain Procedures were not implemented. The total Matjhabeng Fleet fill up at a Sasol Services Station at full pump Retail Price.

Estimated Rand Value Loss R3 168 000.

8. Disciplinary Procedures and Suspensions

Financial implication could be a minimum of R3 000 000 per annum.

9. Settling of Disputes

Ligia Papers and others that make the top ten outstanding debtors. Financial implication R40 842 707.

10. Effluent Water Reticulation

Not working for 5 years. The Municipality now uses fresh water at R5,85 per Kilolitre. If we use 10% of our water purchases the financial implication is R21 430 415.

4

11. Action Plan to resolve AG Audit Queries

Out of 93 Audit Queries only Audit Query No 60 has been resolved.

12. Unauthorized Fruitless and Wasteful Expenditure

The % increase between 2010 and 2011 was 123.5%.

COUNCIL RESOLVED (29 MAY 2012)

That the Operating Budget of **R1 292 195 331 [R1 617 317 571 (billing revenue) less anticipated bad debts due to 30% non-collection of revenue] of R325 122 239** and the **Capital Budget of R246 627 000 BE APPROVED.**

The split up of Capital Budget allocation **WOULD BE** as follows:

| | |
|---|---------------|
| MIG | R 200 030 000 |
| Own funding | R 35 000 000 |
| Other: | |
| Electricity Demand Side Management Grant | R 8 000 000 |
| Integrated National Electrification Programme | R 2 000 000 |
| Extended Public Works Programme | R 882 000 |
| Neighborhood Development Partnership | R 715 000 |

A26/2012

DRAFT INTEGRATED DEVELOPMENT PLAN (2012-2016) (EDSSS) (18/1/18)

PURPOSE

To request Council to consider the Draft Integrated Development Plan for 2012-2016 in terms of Chapter 5 of Municipal Systems Act No 32 of 2000.

DISCUSSIONS

The Executive Mayor presented the item.

COUNCIL RESOLVED (29 MAY 2012)

1. That the Integrated Development Plan (IDP) for 2012-2016 **BE APPROVED** with the following amendments:

5

- (a) Under the sub-heading **INFRASTRUCTURE DEVELOPMENT**
- (i) Pages 99 – 114
 - Where the target year is 2016, replace with 2014
 - (ii) Pages 107, 109, 111
 - Where the target year is 2009, replace with 2013
 - (iii) Page 111
 - Where the target year is 2008, replace with 2013
- (b) Replace the various deadlines for the development of all municipal plans (like Spatial Development Framework; Local Economic Development Strategy; Paved Management System; Water Services Development Plan; etc) with the new deadline of 2013
- (c) On the third row of the table on **page 160**, under the headings **strategy** and **project**, delete
- **‘to identify a reliable and competent debt book buyer’** and
 - **‘selling of Debt book’**, respectively
- (d) **On page 162 Under LOCAL ECONOMIC DEVELOPMENT** on page 162, row 1 under the heading **PROJECT/PROGRAMME**
- Rename **Upgrading and refurbishment of Welkom Airport** to **Upgrading and refurbishment of Welkom Airport and resealing of the runway**
 - Add a new programme in the name of **undertaking a feasibility study to convert Welkom Airport into an International Cargo Airport** , with a budget of R2.5 million and with 2013 as the deadline
 - On page 163 under **LED’s TOURISM**, include a new externally-funded project (to the approximate tune of R40 million) called **establishment of a Heritage Centre**

6

- (e) **Under Human Settlement**, reflect the following spread of stands earmarked for development in 2013/2014

| Area | Number of Stands |
|--|------------------|
| Nyakallong | 100 |
| | |
| Kutlwanong | 1774 |
| | |
| Thabong/Bronville | 5469 |
| | |
| Meloding | 929 |
| | |
| Phomolong | 465 |
| | |
| Mmamahabane | 434 |
| | |
| Total for Matjhabeng municipal area | 9191 |

- (f) **On page 140**, under the programme **Purification of rental data**, replace the target date of 2016 with 2013
- (g) **On page 166**, in the table whose heading is **Minerals and Energy Sector**, in the second row,
- reflect the OBJECTIVE as **to facilitate the planning and implementation of the mining social plans**
 - delete **to facilitate the development of identified small-scale miners** and in its place insert **to contribute to the creation of decent employment opportunities for historically-disadvantaged people in the Free State**
2. That the IDP for 2012-2016 **BE SUBMITTED** to the relevant Provincial and National Departments as required by relevant laws of the country.

A27/2012

PROGRESS REPORT OF THE AG AUDIT QUERIES RAISED IN 2010/11 AUDIT REPORT (6/12/2/1) (ACFO)

PURPOSE

To submit to the Council the progress report on the Audit Query Action Plan for the audit queries raised during the 2010/11 reporting year.

DISCUSSIONS

The Executive Mayor presented the item.

COUNCIL RESOLVED (29 MAY 2012)

1. That the Audit Query Action Plan, in terms of Section 122, 126 and 131 of the Municipal Finance Management Act, number 56 of 2003, **BE NOTED**.
2. That the last column of the Audit Query Action Plan marked as Resolved Yes/No, **BE USED** to indicate the percentage on progress made and/or if the matter was already resolved.

A28/2012

APPLICATION FOR SPECIAL CONSENT: ERF 7974, EXTENSION 18, WELKOM (18/4/1/19) (EDSP)

PURPOSE OF THIS REPORT

This report is submitted to obtain Council's approval for the special consent to use Erf 7974, Extension 18, Welkom for the selling of new and used motors, coffee shop, shops, car wash and a crèche subject to the conditions as stipulated in the recommendation of this report.

DISCUSSIONS

The Executive Mayor presented the item.

COUNCIL RESOLVED (29 MAY 2012)

1. That the application for special consent in terms of Section 30 of the Welkom Town Planning Scheme No 1/1980 to use Erf 7974, Extension 18, Welkom for the selling of new and used motors, coffee shop, shops, car wash and a crèche, **BE APPROVED** subject to the following conditions:

8

- (a) That the total coverage of all buildings shall not exceed 50%.
- (b) That the maximum height shall not exceed two (2) storeys.
- (c) That a site development plan shall be submitted for approval by the Council prior to the submission and approval of any building plans. Except with the Council's prior written consent no deviation from the approval site development plan shall be allowed. No building shall be erected on the erf before the site development plan has been approved by the Council.
- (d) The site development plan shall indicate at least the following:-
 - i) The location and height of all buildings and structures.
 - ii) Open areas and landscaping.
 - iii) Access to and egress from the erf and any proposed subdivision thereof.
 - iv) Access to buildings and parking areas.
 - v) Building restriction areas.
 - vi) Parking areas and where required vehicle and pedestrian traffic patterns.
 - vii) Elevation treatment of all buildings and structures.
 - viii) If the erf is not to be entirely developed, the grouping of the buildings and the programming of development must be shown.
- (e) That any future development on the erf will be subject to Council's approval in terms of which Council may impose special conditions in order to ensure effective development or to minimise the impact of such development.
- (f) That services shall be provided to the erf to the satisfaction and standards of the Matjhabeng Municipality.
- (g) That no workshop activities shall be conducted outside a building on the premises.
- (h) That no goods shall be displayed or sold outside the boundaries of the erf.
- (i) That all parking spaces and driveways as well as entrance to and exit from the erf must be provided, paved and maintained to the satisfaction of the City Council.
- (j) That no materials of any kind shall be stored outside the building or screen wall.

9

- (k) That the loading and off-loading of vehicles as well as the parking of vehicles shall be done only within the boundaries of the erf.
 - (l) That the development and use of the erf shall be subject to all applicable regulations of the City Council.
 - (m) That where the consent of the City Council is obtained and not substantially implemented within six (6) months after notification of the City Council's decision, or development or use of the building or land is interrupted for a period of twelve (12) months or more, the consent granted shall lapse automatically and cease to be valid without any claim for compensation.
 - (n) That if any substantial objection is received against the way the special consent is conducted, the special consent will lapse and cease to exist without any claim for compensation after an investigation by the Council into the matter.
2. That in future the Mayoral Committee **BE DELEGATED** to handle all items on application for special consent.

A29/2012

RESIGNATION OF SECTION 56 MANAGER (5/2/2) (MM)

PURPOSE

To report to Council about the resignation of the Executive Director Corporate Support Services.

DISCUSSIONS

The Executive Mayor presented the item and indicated that Mr J Molawa was appointed to act as Executive Director Corporate Support Services.

Cllr JS Marais indicated that, according to the Local Government Municipal Systems Amendment Act, No 7 of 2011, section 54, only Council could appoint an acting Municipal Manager and Section 56 Managers.

After lengthy discussions a caucus was requested and it was granted.

COUNCIL RESOLVED (29 MAY 2012)

1. That the resignation of Ms FKP Ntlemeza, Executive Director Corporate Support Services, **BE ACCEPTED**.

2. That the post of Executive Director Corporate Support Services **BE ADVERTISED.**

//A proposal was received from Cllr JS Marais that sub-rule 45(1) of the Standard Rules and Orders be suspended to allow discussions of a matter not included in the agenda. The reason for this was to appoint an acting Executive Director Corporate Support Services in the place of Ms F Ntlemeza who resigned on 31 March 2012.

See Item A32/2012.//

A30/2012

BARUCH PROJECT LINKED HOUSING SUBSIDY CONTRACT: THABONG T11/2: LAND AVAILABILITY AND CO-OPERATION AND SERVICES AGREEMENTS (LED) (20/14/4/3)

This item was **WITHDRAWN** as it did not serve before the Section 80 Committee.

A31/2012

MATJHABENG LOCAL MUNICIPALITY WARD COMMITTEE FUNDING MODEL AND BUDGETING (ASMCA)

PURPOSE

To submit to Council a proposal on a funding model for Ward Committees.

DISCUSSIONS

The Executive Mayor presented the item.

A question was raised with regard to the shortfall on the Budget to implement the Ward Committee funding.

The Executive Mayor indicated that the shortfall could be incorporated in the Revised Budget.

COUNCIL RESOLVED (29 MAY 2012)

1. That the National and Provincial Framework on payment of out of pocket expenses for Ward Committees as attached on **page 131 to page 154 of the Annexures BE NOTED.**

11

2. That the Matjhabeng Local Municipality's Funding Model for Ward Committees **BE APPROVED**.
3. That a policy to effect the Matjhabeng Local Municipality's Funding Model for Ward Committees **BE FINALIZED** as a matter of urgency.
4. That the Matjhabeng Local Municipality's Funding Model **BE EFFECTED** from 1 July 2012.
5. That Ward Councillors **BE INVOLVED / WORKSHOPPED** in the formalization of KPA's for Ward Committees.
6. That the shortfall in the current budget **BE REFERRED** to the Executive Mayor, Municipal Manager and Acting Chief Financial Officer to find a solution.

A32/2012

APPOINTMENT OF AN ACTING EXECUTIVE DIRECTOR CORPORATE SUPPORT SERVICES (MM) (5/5/2)

PURPOSE

To request Council to appoint an acting Executive Director Corporate Support Services in the place of Ms F Ntlemeza who resigned on 31 March 2012.

DISCUSSIONS

Council unanimously resolved to accept the proposal to place a further item on the agenda to appoint an acting Executive Director Corporate Support Services.

COUNCIL RESOLVED (29 MAY 2012)

1. That Mr J Molawa **BE APPOINTED** to act as Executive Director Corporate Support Services.
2. That the Municipal Manager **BE REQUESTED** to obtain a legal opinion on the implementation of section 54 of the Local Government Municipal Systems Amendment Act, No 7 of 2011 with regard to the appointment of an acting Municipal Manager and Section 56 Managers.

3. That an item on the delegation of the Executive Mayor to appoint an acting Municipal Manager and Section 56 Managers, as resolved on 29 November 2011 (A66/2011) viz. *That Council delegates the Executive Mayor to appoint Section 56 Managers to act until the process of recruiting and appointing by Council, BE SUBMITTED* to the next Council meeting for further deliberation.