

# MAKHADO LOCAL MUNICIPALITY

## OFFICE OF THE DIRECTOR CORPORATE SUPPORT AND SHARED SERVICES

MINUTES OF THE NINETIETH (90<sup>TH</sup>) SPECIAL COUNCIL MEETING OF MAKHADO MUNICIPALITY WHICH WAS HELD ON THURSDAY, 29 MAY 2014 IN THE COUNCIL CHAMBER, CIVIC CENTRE, KROGH STREET, MAKHADO AT 14:00.

### PRESENT

#### Councillors

BALOYI, S R	MATHOMA, M P
BALOYI, N B	MATODZI, A M
CHILILO, N F	MATUMBA, M T
DAVHANA, D	MMBADI, T A
GABARA, M J	MOGALE, L B
HLABIOA, M M	MPASHE, M
HLUNGWANE, F B	MTHOMBENI, S Z
HLUNGWANI, K A	MUKHAHA, A J
KUTAMA, N	MUKHARI, M F
LERULE-RAMAKHANYA, M M	MULOVHEDZI, M D
LUDERE, R	MUNYAI, N S
LUDUVHUNGU, V S	MUTAVHATSINDI, F D
MACHETE, M S	MUTELE, T M
MADAVHU, F F	NDWAMMBI, M T
MADZHIGA, F N	NDZOVELA, N G
MADZIVHANDILA, M R	NELUVHOLA, A T
MAFHALA, N A	NEMAFHOHONI, M G
MAGADA, M R	NETSHIVHULANA, T P
MAHLADISA S V	NGOBENI, N E
MAKHUVHA, V S	NKANYANE, R G
MALANGE, R	RAMUDZULI, S D
MALIMA, M E	RASIMPHI, M P
MAMAFHA, T C	RATSHIKUNI, D T
MAMAFHA, T J	RATSHIVHOMBELA, M Q
MAMATSIARI, M S	REKHOTSO, S M
MAMOROBELA, T P	RIKHOTSO, F J
MAPHAHLA, A Z	SELEPE, M R
MAPHALA, O S	THANDAVATHU, R
MASHIMBYE, P F	TSHAVHUYO, T G
MASUKA, S	TSHILAMBYANA, M S
MATHALISE, L M	
MATHAVHA, F F	

#### Traditional Leaders

KHOSI R H SINTHUMULE

#### Officials

I P MUTSHINYALI	(MUNICIPAL MANAGER)
M P MAKHUBELA	(CHIEF FINANCIAL OFFICER)
M D SINTHUMULE	(DIRECTOR DEVELOPMENT & PLANNING)
N C KHARIDZHA	(ACTING DIRECTOR CORPORATE SERVICES)
M D MUNYAI	(ADMINISTRATIVE OFFICER: COMMITTEES)

#### Also Present

MR K M MOLOKOMME	(MAGISTRATE OF MAKHADO)
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## 1. OPENING

The Speaker, Cllr L B Mogale ruled that a minute of silence be observed for meditation and prayer, where after she declared the meeting officially opened.

## 2. APPLICATION FOR LEAVE OF ABSENCE

RESOLVED –

THAT leave of absence be granted in terms of the provisions of Rule 5 of the Council's Rules and Orders published under Provincial Gazette Notice no. 1391 dated 31 August 2007 in respect of the Special Council meeting held on 29 May 2014 to Cllrs N P Balibali, A du Plooy, M P Mazibuko, T M Malange, S M Sinyosi and J P Underwood.

### REMARK:

The following Councillors and Traditional Leaders were not present at the meeting:

- 2.1 Cllrs E H Ludere, M G Mahani, N J Matumba, M D Mboyi, T S Mudau, R T Makhubele and M J Shandukani.
- 2.2 Khosi S A Mulima, Khosi M W Netsianda, Khosi N T L Mashamba, Hosi M S Bungeni, Khosi M C Masakona, Hosi H N Majosi, Khosi T P Nesengani, Hosi S T Mukhari, Hosi J Baloyi, Khosi V C Ramabulana, Khosi T R V Mashau, Khosi M A Madzivhandila and Hosi T J Mukhari.

## 3. OFFICIAL ANNOUNCEMENTS

- 3.1 The Speaker, Cllr L B Mogale announced that Mr K M Molokomme, Magistrate from Makhado would officiate the Ceremony to have the newly elected proportional councillor, Cllr Masilo Mpashe, sworn in. She then called on him to proceed with the ceremony.

Mr K M Molokomme, Magistrate (Makhado) conducted the ceremony of declaration for the Oath of Solemn Affirmation by Councillor M Mpashe, as follows:

*“Oath*

*I, Mr M Mpashe swear that I will be faithful to the Republic of South Africa and will obey, respect and uphold the Constitution and all other laws of the Republic of South Africa, and I solemnly promise to perform my functions and duties as a councillor of Makhado Local Municipality to the best of my ability. So help me God.”*

The duly signed Oath of Solemn Affirmation was filed in Council's official records.

## 4. PROPOSALS OF CONDOLENCE OR CONGRATULATIONS BY THE SPEAKER

None

## 5. PROPOSALS OF CONDOLENCE OR CONGRATULATIONS BY OTHER COUNCILLORS

- 5.1 Cllr T P Mamorobela proposed congratulations to the former Municipal Manager of Makhado Local Municipality, Ms Faith Muthambi, who had been appointed Minister of Communications.

- 5.2 Cllr R Thandavhathu proposed condolences to the bereaved family of Mr Shakes Kungwane, a former Kaizer Chiefs player who died on Wednesday, 28 May 2014, and also proposed condolences to the family of Dr Maya Angelos, a Renaissance Woman and friend of the late Dr Nelson Mandela, who passed away at the age of 86 when she was set to be honoured with the Beacon of Hope award.
- 5.3 Cllr M G Nemafohoni proposed congratulations to Chief Thifhindulwi Abraham Ramavhoya of Ramavhoya Village with his new installation on Friday, 23 May 2014.
- 5.4 Cllr N D Davhana proposed congratulations to the former Chief Whip of Makhado Municipality, Mr Moses Tseli, who was elected Member of Parliament on 7 May 2014.
- 5.5 Cllr N Kutama proposed congratulations to Ms Lindiwe Mazibuko for resigning as Democratic Alliance Parliamentary member.
- 5.6 Cllr F N Madzhiga proposed congratulations to one of the oldest ladies in the world, Ms Mutangwa Mukwevho for casting her vote correctly. She is 140 years of age.
- 5.7 Cllr S Masuka proposed congratulations to the African National Congress for winning the National Democratic Elections on Wednesday, 7 May 2014; he further proposed congratulations to the President of the Country, Mr Jacob Zuma, and the African National Congress, who were given a mandate to lead for another term of five years.
- 5.8 Cllr R S Baloyi proposed congratulations to Portfolio Head of Sports, Cllr R Thandavhathu and Makhado Netball Team for being the runner-up on IMSSA Provincial Games that was held at Thulamela on Saturday, 17 May 2014.
- 5.9 Cllr M Mpashe proposed congratulations to the Democratic Alliance Party for retaining Ward 5 at Lephalale with 80%; he further proposed congratulations to the Democratic Alliance Party for doing well in the National Elections on 7 May 2014 by winning more than 1,4 million votes.
- 5.10 Cllr F D Mutavhatsindi proposed congratulations to the former Regional Chairperson of the African National Congress in Vhembe District, Mr Falaza Mdaka for being elected Chief Whip of Limpopo Legislature; he also proposed congratulations to Ms Meriam Ramadwa for being elected Speaker of the Legislature, and to Mr J Ndou for being elected MEC of Public Works and Roads, T Nwendamutswu for being elected MEC of Education and Ms N Ndalani for being elected MEC of Sports, Arts and Culture. He further proposed congratulations to Cllr P F Mashimbye the Secretary of ANC Makhado Sub-Region for conducting the National and Provincial elections in the Sub-region successfully. In Ward 5 the African National Congress beat the Democratic Alliance by more than 2000 votes and in Ward 21, African National Congress beat Democratic Alliance by more than 700 votes.

6. **MATTERS CONSIDERED:**

**Resolutions of the Council in terms of section 59 (1) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000): 90<sup>th</sup> Special Council Meeting: 29 May 2014**

**The report of the 349<sup>th</sup> Executive Committee meeting held on 16 May 2014.**

**The report of the 350<sup>th</sup> Executive Committee meeting held on 22 May 2014.**

**The report of the 351<sup>st</sup> Executive Committee meeting held on 29 May 2014.**

**(REMARK:** Item A.57.24.07.14 will be considered at the ordinary Council meeting to be held on 24 July 2014)

**ITEM A.58.29.05.14**

**FINANCES: MID YEAR STOCK COUNTING REPORT 2013/14**

**(8/1/1)**

RESOLVED A.58.29.05.14 –

1. THAT mid-year stock report for 2013/2014 financial year be adopted by the Council. (CFO)
2. THAT slow moving items to the value of R172 753.96 be written down to net realizable value.

MidYearStockReport2013-2014\_itm

(CFO)

**ITEM A.59.29.05.14**

**FINANCES: RE-SUBMISSION PROCUREMENT: IRREGULAR EXPENDITURE**

**(5/5/2/1; 6/1/1(12/13))**

RESOLVED A.59.29.05.14 -

1. THAT Council approve the reasons provided for Council to condone irregular expenditure and further approve that the issue of lost document and error in calculating points be referred to the Municipal Public Accounts Committee (MPAC) for further investigation. (CFO)
2. THAT a letter be submitted to National Treasury that Council has considered the items relating to Section 32 non-compliance and have evaluated reasons for condonation. (CFO)
3. THAT if items are not condoned after Council analysis and National Treasury approval of the non-compliance aspect to the MFMA, the items continue to be disclosed as irregular expenditure in the Financial Statements for 2013/14. (CFO)
4. THAT if a contract was identified as irregular expenditure from supply chain process, in one financial year all continued expenditures in that contract must be reported as irregular expenditure, as more fully set out herein below - (CFO)

Section 32(d) of the MFMA:

*Expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law,*

Circular 68, page 8:

*With reference to (d) of section 32 of the MFMA as defined – a council may condone a contravention of the council approved SCM policy or a by-law giving effect to such policy, provided that the contravention, is not also a contravention of the MFMA or the SCM regulations, in which case (a) applies and then only National Treasury can condone a contravention of the SCM regulations.*

*Any such requests must be accompanied by a full motivation and submitted to mfma@treasury.gov.za for consideration*

5. THAT in terms of section 32 of the Municipal Finance Management Act, 2003, the Council approves condonation of the expenditures listed in the report in this regard. (CFO)

6. THAT the Department of Finance must avoid omission and errors that result in all irregular expenditure.

IrregularExpenditure\_itm(May2014)

(CFO)

#### **ITEM A.60.29.05.14**

**FINANCE: IN YEAR MONITORING AND REPORTING: MONTH ENDING 31 MARCH 2014 (3<sup>rd</sup> QUARTER)  
(6/1/1(2013/2014))**

RESOLVED A.60.29.05.14 –

THAT the in-year monitoring financial report for the month of March 2014 be noted.

MonitoringMarch2014\_itm

(CFO)

#### **ITEM A.61.29.05.14**

**FINANCES: PROCUREMENT: CLAUSE 36: DEVIATION FROM PROCUREMENT PROCESSES: MICROSOFT LICENSE UPGRADE  
(8/3/2/1)**

RESOLVED A.61.29.05.14 -

THAT in terms of clause 36 of the Municipal Supply Chain Regulations, 2005 promulgated under the Local Government: Municipal Finance Management Act, 2003, in procurement by means of quotations duly approved by the Accounting Officer before it was procured, be condoned by Council.

DeviationMicrosoftLicense\_itm

(CFO)

**(REMARK:** Items A.62.24.07.14 to A.65.24.07.14 will be considered at the ordinary Council meeting to be held on 24 July 2014)

**ITEM A.66.29.05.14****FINANCES: FINAL CAPITAL AND OPERATIONAL ESTIMATES 2014/2015 TO 2016/2017  
FINANCIAL YEAR  
(6/1/1 (2014/2015))**

RESOLVED A.66.29.05.14 -

1. THAT the final Capital and Operational Estimates for the 2014/2015 financial year as more fully recorded in Annexure A and B attached to the report in this regard be approved and that the Accounting Officer proceeds with the publication of the final Annual Budget as purposed in section 22 of the Local Government: Municipal Finance Management Act, No 56 of 2003, and the Regulations promulgated in terms thereof, subject to the following additions:
  - 1.1. An amount of R500 000 be provided for the design of the extension of municipal offices at Civic Centre, Makhado.
  - 1.2. Funds be provided for the construction of an official Mayoral residence in the 2014/15 financial year and the design be completed within the 2013/14 financial year.
  - 1.3. An amount of R500 000 be provided for the renovation of the building on the south eastern corner of Civic Centre premises which used to serve as dwelling for a Caretaker.
  - 1.4. An amount of R500 000 be provided for the demarcation of sites.
  - 1.5. An amount of R500 000 be provided for projects of Local Economic Development (LED). (CFO)
  
2. THAT note be taken that the 2014/2015 budget related policies as approved in the draft annual budget on 27 March 2014 remain unchanged after public notification on 3 and 4 April 2014 and consultation processes, except with regard to Clause 39 of the Supply Chain Management Policy of which Clause 39 was amended as tabled at the meeting. (CFO)
  
3. THAT note be taken that the amendment of the contents of the Property Rates By-law during the draft budget process remains unchanged after public notification on 3 and 4 April 2014 and consultation processes and that the necessary promulgation related to municipal property rates will be undertaken after 29 May 2014. (CFO)
  
4. THAT it be noted that the 2014/2015 Estimates will after approval by the Council in terms of section 22 of the Municipal Finance Management Act, be submitted to National Treasury and the Provincial Treasury. (CFO)
  
5. THAT the following 2014/2015 budget related policies and one by-law be approved as more fully set out in **Annexure C1 to C18** attached to the report in this regard -
 

**Policies**

  - 5.1 Asset Management Policy
  - 5.2 Borrowing Policy
  - 5.3 Budget Policy

- 5.4 Credit Control and Debt Collection Policy
- 5.5 Debt Write Off Policy
- 5.6 Expenditure Management Policy
- 5.7 Framework for Cashflow Management
- 5.8 Funding and Reserves Policy
- 5.9 Investment Policy
- 5.10 Property Rates Policy
- 5.11 Revenue Management Policy
- 5.12 Subsidy for Indigent Household Policy
- 5.13 Supply Chain Management Policy
- 5.14 Tariff Policy Free Basic Services
- 5.15 Travel and Subsistence Policy
- 5.16 Uniform Credit Control Policy
- 5.17 Virement Policy

**By-Law**

- 5.18 Property Rates By-Law (CFO)
6. THAT the 2014/15 Tariffs for municipal services be approved and promulgated as more fully set out in Annexure D attached to the report in this regard. (CFO)
7. THAT the Administrative Management submit a report at a next Executive Committee meeting pertaining to the financial status of the Municipality together with the progress report on the performance of the debt collector. (CFO)

FinalBudget2014-2015\_itm

**ITEM A.67.29.05.14**

**ELECTIONS: FILLING OF COUNCILLOR VACANCY, 2014  
(3/2/5; 3/2/6)**

RESOLVED A.67.29.05.14 -

THAT it be noted that the IEC in terms of Schedule 1 of the Municipal Structures Act, 1998 (Act 117 of 1998) in its declaration dated 5 May 2014 declared that **Mr Mpashe Masilo** with Identity Number 8401215799083 is the candidate declared duly elected to replace former Mr I Sakhwari as proportional representative in the Democratic Alliance Party, with retrospective effect of 5 May 2014.

ReplacementSakhwari\_itm

(DCS)

**ITEM A.68.29.05.14****FINANCES: SPECIAL ADJUSTMENT BUDGET: 2013/14 FINANCIAL YEAR  
(6/1/1(13/14))**

RESOLVED A.68.29.05.14 -

1. THAT Council in terms of section 28 of the Municipal Finance Management Act, 2003 approves the revised and special adjustment budget for 2013/14 to include the additional MIG allocation of R45m of which notice was received on 31 March 2014, with the proposed projects for implementation as more fully recorded in the report.  
(CFO)
  2. THAT the approved 2013/14 revised and special adjustment budget be regarded part of the Adjustment Budget of the municipality for the year ended 30 June 2014.  
(CFO)
  3. THAT the 2013/14 IDP is accordingly ratified to include the additional MIG funds for subsequent funds received after the approval of the IDP for 2013/14 and the approved Budget Adjustment in February 2014.  
(CFO)
  4. THAT the 2013/14 revised and special adjustment budget in terms of section 28 of the Municipal Finance Management Act, 2003 be submitted to Provincial and National Treasuries in terms of section 24 of the Municipal Budget and Reporting Regulations.  
(CFO)
- Special budg adjust 13-14 (CFO)

**(REMARK:** Items A.69.24.07.14 to A.72.24.07.14 will be considered at the ordinary Council meeting to be held on 24 July 2014)

**ITEM A.73.29.05.14****TOWN-PLANNING AND CONTROL: FINAL 2014/2015 INTEGRATED DEVELOPMENT  
PLAN  
(15/7/1; 15/8/1)**

RESOLVED A.73.29.05.14 -

1. THAT Council approves the 2014/15 Integrated Development Plan (IDP) and it be implemented accordingly.  
(DDP)
2. THAT it be noted that the Executive Committee considered the Integrated Development Plan without the Organisational Structure and it will be considered in the next Executive Committee meeting.  
(DCS)

IDP 2014-15 cover report



**ITEM A.74.29.05.14****PERSONNEL:**

- 1. REGULATIONS ON APPOINTMENT AND CONDITIONS OF EMPLOYMENT OF SENIOR MANAGERS**
- 2. UPPER LIMIT OF REMUNERATION PACKAGE: MUNICIPAL MANAGER & SENIOR MANAGERS**

**(5/1/1/B, 5/1/1/B/1)**

RESOLVED A.74.29.05.14 -

1. THAT note be taken of Government Notice No. 21 of 17 January 2014 promulgated by the Minister of Cooperative Governance and Traditional Affairs in Government Gazette No. 37245 dated 17 January 2014 which provides Regulations on Appointment and Conditions of Employment of Senior Managers, attached to the report in this regard as Annexure 1.

(MM &amp; CFO)

2. THAT note be taken of Government Notice No. 225 of 29 March 2014 promulgated by the Minister of Cooperative Governance and Traditional Affairs in Government Gazette No. 37500 dated 29 March 2014, which determines the Upper Limit of Total Remuneration Package Payable to Municipal Managers and Managers Directly Accountable to Municipal Managers effective on 1 July 2014 to 30 June 2015, attached to the report in this regard as Annexure 2.

(MM &amp; CFO)

3. THAT the Upper Limit of Total Remuneration Package Payable to Municipal Managers and Managers directly accountable to Municipal Manager be applicable to all the Section 57 Managers with effect from 1 July 2014.

(MM &amp; CFO)

RegulationsSeniorManagers\_itm

**ITEM A.75.29.05.14****PERSONNEL: 2014/2015 DRAFT ORGANISATIONAL STRUCTURE REVIEW****(5/1/2/1-10)**

RESOLVED A.75.29.05.14 -

THAT Council approves the 2014/2015 Organizational Structure as Council's fixed staff establishment attached as Annexure A to the report in this regard, subject to the following:

1. The posts of Manager: Office of the Municipal Manager (post level 1) and Personal Assistant (post level 5) in the Office of the Municipal Manager is approved for the 2014/15 financial year: Provided filling of these posts must be referred to the 2015/2016 financial year for consideration.
2. A second post of Manager: Electrical Engineering (Maintenance and Electrification) (post level 1) be approved as indicated on page 32 [which page was tabled at the meeting as an amendment]: Provided filling thereof is subject to prior written approval by the Department of Labour on the matter of compliance with the provisions of the requirements of safety

legislation; and that the designation of Manager: Electrical Engineering on page 31 must read Manager: Electrical Engineering (Network and Design).

3. The designation on page 2 of the Organogram must read Coordinator – Youth, Children, Provincial & National Functions.
4. That the IDP Division with the exclusion of the Housing Section, on page 24 of the organogram be relocated to the Office of the Municipal Manager. (DCS)

Organogram2014-2015\_itm

**CONFIDENTIAL**

**ITEM CA.76.29.05.14**

**CONFIDENTIAL MATTER**

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The meeting was closed and adjourned at 15:04.

Approved and confirmed in terms of the provisions of Clause 34 of the Rules and Orders, 2007 promulgated in Provincial Gazette No. 1391 of 31 August 2007 under Local Authority Notice 228, by a resolution of the Council passed at the meeting held on 24 July 2014.

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**CHAIRPERSON**

MDM/lh/SpecialCouncilMinutes\_90