

MAKHADO LOCAL MUNICIPALITY

OFFICE OF THE DIRECTOR CORPORATE SUPPORT AND SHARED SERVICES

MINUTES OF THE SIXTY EIGHTH (68TH) SPECIAL COUNCIL MEETING OF MAKHADO MUNICIPALITY WHICH WAS HELD ON THURSDAY, 9 SEPTEMBER 2010 IN THE COUNCIL CHAMBER, CIVIC CENTRE, KROGH STREET, LOUIS TRICHARDT AT 17:00.

PRESENT

Councillors

BALADZI P	MASHAU L P
BALOYI R S	MASUKA S
BOPAPE M B	MATAMELA N S
DU PLOOY A	MATODZI A N
DZHOMBE J	MATUMBA J
GUNDULA A S	MAUBA K D
HLONGWANE B F	MBOYI M D
HONWANA X N C	MUDAU T J
HOORZUK, J	MUFAMADI M R
KENNEALY A	MULOVHEDZI M D
KUMALO J D	MUNUNGUFHALA M L
LEBEA M E	MUROVHI N J
LERULE M M	MUTAVHATSINDI F D
LOWANE L B	NCHAUBA T G
MABILA M N	NDHLIWAYO B T
MABOHO N K	NEKHUMBE L M
MABOHO T E	NEMALEGENI PR J
MADUWA E	NGOBENI E H
MAGUGA S G	NGOBENI N E
MAHANI M F	NGWANA A G
MAHLAULE N V	NTHULANE L T
MAHWAI S J	RADAMBA M S
MAKANANISE M M	RAMASHIA N G
MAKHADO M M	RAMUDZULI S D
MAKHERA M A	REKHOTSO, S M
MAKHOMISANI S E	REYNEKE P Q
MAKHUBELE R T	RIKHOTSO F J
MALETE D	RUMANI F F
MAPHALA O S	SIPHUMA A L
MASHAMBA H A	TSHAVHUYO T G

Traditional Leaders

KHOSI M V NETSIANDA

Officials

A S TSHIKALANGE	(MUNICIPAL MANAGER)
E L MUGARI	(DIRECTOR COMMUNITY SERVICES)
M D SINTHUMULE	(DIRECTOR DEVELOPMENT & PLANNING)
T E RALULIMI	(DIRECTOR TECHNICAL SERVICES)
H R MALULEKE	(CHIEF FINANCIAL OFFICER)
N C KHARIDZHA	(ACTING DIRECTOR CORPORATE SUPPORT & SHARED SERVICES)
T E SHIRINGANI	(ADMINISTRATIVE OFFICER: COMMITTEES)
M D MUNYAI	(ADMINISTRATIVE OFFICER: COMMITTEES)

Public gallery

N E RASILAVHI

(MAKHADO PARK SANCO)

M M MPHILO

(MAKHADO PARK)

N P MAKHADO

(ELTI VILLAS)

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1. OPENING

The Speaker, Cllr J Hoorzuk ruled that a moment of silence be observed for meditation and prayer, whereafter she requested Cllr B F Hlongwane to pray for the passing on of the brother of the Municipal Manager as well as Cllr M N Makhado, a Council member.

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 9 September 2010 to Cllrs A A Chaya, M A Helm, R G Machovani, A J Mukhaha, M A Muvhumbe, R G Nkanyani, and Khosi T R V Mashau.

REMARK:

- a. The following councillors and traditional leaders were not present at the meeting: S D S Manganyi, W N Mashele, K Mavhungu, P Nephawe, P Phaswana, M R Selepe, Hosi M S Bungeni, Khosi J A Mulima, Khosi M C Masakona, Hosi H H Majosi, Khosi T P Nesengani, Khosi N T L mashamba, Hosi S T Mukhari, Hosi J Baloyi, Khosi V C Ramabulana, Khosi S E Sinthumule.
- b. It be noted that Council has a vacancy of one member due to the death of Cllr M N Makhado.

3. OFFICIAL ANNOUNCEMENTS

The Speaker, Cllr J Hoorzuk announced that the Mayor of Makhado Municipality, Cllr M M Lerule, would be handing over a house at Tshitungulwane Village in Ward 1, to Mrs. Elisa Mulaudzi on Friday, 10 September 2010. The house was donated and built by Ridakule Civil and Construction.

4. PROPOSALS OF CONDOLENCE OR CONGRATULATIONS BY THE SPEAKER

- 4.1 The Speaker, Cllr J Hoorzuk, proposed condolences to the family of the Municipal Manager, Mr A S Tshikalange, whose brother died in a car accident and was buried on 3 September 2010. May his soul rest in peace.
- 4.2 The Speaker, Cllr J Hoorzuk, proposed condolences to the family of Cllr M N Makhado, a member of Council, who died in a car accident and was buried on 28 August 2010.

5. PROPOSALS OF CONDOLENCE OR CONGRATULATIONS BY OTHER COUNCILLORS

None

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): 68th Special Council Meeting: 9 September 2010

A.61.09.09.10 (originally A61.28.10.10)

(COUNCIL LAND) PROPOSED PURCHASE, SUBDIVISION, REZONING OF LAND SITUATED BETWEEN HILLSIDE COMBINED SCHOOL AND ERVEN 1895-1897, DZANANI TOWNSHIP (7/3/2/1 & 7/4/1/4)

RESOLVED A.61.09.09.10 -

THAT the application of Messrs A. P. Nmutavhanani, T. D. Manena and A. E. Ramakoma to purchase, subdivide and rezone agricultural zoned land between the Hillside Combined School and erven 1895-1897, Dzanani Township, be approved in principle, subject to the following conditions and procedures:

1. The intention to perform a land sale transaction must be advertised in terms of the provisions of the Local Government Ordinance, 1939 (Ordinance 17 of 1939) in order to call for objections, if any
2. The property be developed within three (3) years from the date of signing the Deed of Sale, provided that Council may allow an extension of further Two (2) years
3. In the event that the developer failed to complete the development as required under paragraph 3 above, the property revert back to Council without compensation by the Municipality to the developer for any improvements on the property.
4. A professional land surveyor be appointed to subdivide the land into three equal portions and a Town Planner be appointed to rezone or amend the conditions of township establishment from Agricultural to Residential.
5. A market related valuation of the subdivided and rezoned portions be acquired which will serve as the purchase price.
6. Council's attorneys must register a separate Title Deed for the three subdivided portions zoned residential.
7. Council appoint at the cost of the applicants, a professional town-planner and the Land Surveyor referred to in paragraph 4 above.
8. It be a condition of the Deed of Sale to be concluded with the respective purchasers that the land is sold "voetstoots" and that the purchasers indemnify Council from any possible damages or losses that may be suffered because of this transaction.
9. The cost for the services of Professional Land Surveyor, Council's Attorneys and the Town Planner in this regard, will be borne by the applicants.

10. The applicants are allowed to make provision for municipal services at their cost in order to expedite the installation of services, subject to the terms and conditions prescribed by the Directorate of Technical Services.
11. No guarantees can be given on bulk services availability since municipality is not the bulk service provider of water, sewer and electricity – municipal services to the site, including tarmac roads will be subject to the services installation program of the Department Technical Services / Department Development and Planning; Council will not be liable for any claims of damage or loss suffered as a result of delays or slow progress with commissioning of municipal services according to the program.

ResidentialErvenDzanani_itm

(DCSS/DDP)

ITEM A.62.09.09.10 (originally A.62.28.10.10)**SUBMISSION OF BLOCKED PROJECTS TO BE UNBLOCKED: (1084) VARIOUS AREAS (17/4/1 & 17/20)****REMARK:**

This item was referred as item B.54.12.08.10.

ITEM A.63.09.09.10 (originally A.63.28.10.10)**FINANCES: REQUEST FOR THE APPROVAL OF THE REVIEWED CELLPHONE POLICY (5/5/3/B)****REMARK:**

Clr M E Lebea proposed that service providers for cellular phones be invited to make presentation to Councillors by Monday, 13 September 2010. The proposal was generally accepted and is recorded below under paragraph 3 as a Council Resolution.

RESOLVED A.63.09.09.10 –

1. THAT Council approves the reviewed cell phone policy and that note be taken that the policy will upon approval become effective and used as a basis for the determination and handling of cell phone allowances for Council's officials. (DF)
2. THAT the contract cell phones for councillors be renewed, and that in the event that a councillor was not re-elected in the 2011 Elections, the Department of Finance must put in place management mechanism for the smooth exit. (DF)
3. THAT the service providers for cellphones be invited not later than Monday, 13 September 2010, to make a presentation to Councillors. (DF)

CellphonePolicy_itm

ITEM A.64.09.09.10 (originally A.64.28.10.10)**FINANCES: 2011/2012 IDP AND BUDGET TIME SCHEDULE
(6/1/1 2011/2012 & 15/7/1)**

RESOLVED A.64.09.09.10 –

1. THAT Council approve the 2011/2012 IDP and Budget time schedule as proposed in the Annexure A attached to the report in this regard that has been compiled in accordance with the guidelines of National Treasury and Administrative Management as well as Political structure complying fully with the requirement to adhere to the time schedule. (DF/DDP)
2. THAT the IDP be aligned with the National Treasury and Vhembe District Municipality (VDM) IDP Framework and Budget process. (DF/DDP)

BudgetTimeTable_itm

ITEM A.65.09.09.10 (originally A.65.28.10.10)**FINANCES: WRITE-OFF OF INVENTORY ITEMS THAT COULD NOT BE VERIFIED
(8/1/3/1)****REMARK:**

This item was referred as item B.55.12.08.10.

ITEM A.66.09.09.10 (originally A.66.28.10.10)**PERSONNEL: EXISTING TRANSPORT ALLOWANCE AS SERVICE BENEFIT TO SENIOR STAFF AND OTHER STRATEGIC POSTS WHO PRESENTLY PARTICIPATE IN THE TRANSPORT ALLOWANCE SCHEME: AMENDMENT
(5/5/5/4; 5/5/3/B; 5/1/1/B; 5/1/1/2/2)**

RESOLVED A.66.09.09.10 –

1. THAT the policy with regard to monthly transport allowance scheme of officials as a service benefit to the present employees and categories mentioned in Annexure A attached to the report in this regard, be amended in regard only to the calculation formula in order to align it according to Vhembe District Municipality fixed transport allowance scheme, as follows:

POST LEVEL	NUMBER OF INCUMBENTS PRESENTLY PARTICIPATING	AMOUNT R
1	Eleven	9,856.40
3	Seventeen	8,223.54
4 a	One	7,708.20
4 b	Three	7,786.80
5 a	Three	7,119.35
5 b	One	7,185.77
5 c	Seven	7,255.66
6 a	None	5,657.37
6 b	None	5,715.79
6 c	Five	5,777.50

(DF)

2. THAT it be noted that sufficient funds were provided in the 2010/2011 Estimates under the Salary Bill of the Operational Estimates to cover the expenditure in paragraph 1 above. (DF)

3. THAT it be noted that the amendment in the factors of calculating was necessary in an effort to address the fact that
 - 3.1 No review of the transport allowance scheme was done since the inception of Makhado Municipality (MLM) in December 2000.
 - 3.2 No increase in the tariffs as a component of a formula to calculate the transport allowance was implemented since the inception of MLM in 2000 while it was arranged for accordingly by the interim Bargaining Council in a Circular No 3/4/5/1/(09)00 dated 29 September 2000.
 - 3.3 MLM cannot retain staff in its senior and strategic categories due to more favourable service benefits by other municipalities in the region and province.
 - 3.4 The amendment will result therein that the transport allowance per month is uniform per category / post level and that there will no longer be variables within a post level / category. (DF)

4. THAT the increase of tariffs in the factor/s of the formula which is not fixed be referred to the 2011/2012 Estimates and that any increase in the AA Tariffs of the formula components be implemented as and when it is determined by the A A of South Africa. (DF)

ITEM A.67.09.09.10 (originally A.67.28.10.10)

FINANCES: REQUEST FOR THE APPROVAL OF THE WRITE-OFF OF THE RECONCILING ITEMS FOR EXPENDITURE AND INCOME (6/1/1(04/09))

REMARK:

This item was referred as item B.56.12.08.10.

ITEM A.68.09.09.10 (originally A.68.28.10.10)

ESSENTIAL SERVICES: REVISED ELECTRIFICATION PLAN 2010/11: (16/2/1 & 16/2/B)

RESOLVED A.68.09.09.10 -

1. THAT note be taken of the contents of the report. (DTS)

2. THAT the revised electrification plan for 2010/11 be approved and implemented. (DTS)

3. THAT it be approved that additional funding of approximately R5mil be secured from the special reservation of the R14mil under **ITEM A.46.28.05.10** to be able to commence with and complete the 2010/11 Makhado Electrification Plan.
(DTS)
4. THAT additional special projects be added and that it be noted that Eskom will do Madabani, Midoroni and Muraleni and that Council be doing Madombidzha 2 Ext, Tiyani, Olifantshoek as well as additional 40 stands in Mukondeni and Mashamba in the 2010/11. (DTS)
5. THAT it be noted that Eskom has done surveys of the following Villages for 2011/12: Tshivhuyuni, Mauluma, Matanda, Shirley, Malonga. (DTS)
6. THAT Mishevhe A & C also be covered in 2011/12 due stand occupation. (DTS)
7. THAT It be noted that Woyoza and Masekane are two different villages, and that Woyoza compromise of Section 1 and Section 2 and only Section 1 considered. (DTS)
8. THAT it be noted and approved that the following villages have been considered from the Extension of electrification priority list: Ribungwana, Tshikwarani/Muduluni, Vhangani and Murunwa. (DTS)
9. THAT it be approved that Thalane village has now been considered since the previous impeding challenges have been settled. (DTS)
10. THAT it be noted that the total available funds secured will determine how far Council can proceed with the list. (DTS)
11. THAT the R5,9 million of conditional grants from Vhembe District Municipality should be used to complete the 2010/2011 Makhado Electrification Plan. (DTS)

Ej/exco_66

ITEM A.69.09.09.10

INTERNAL AUDIT & RISK MANAGEMENT: RISK, ANTI-FRAUD AND AUDIT MANAGEMENT STRATEGY, PLANS, POLICIES, INTERNAL AUDIT AND AUDIT COMMITTEE CHARTERS

(6/13/1/2/1 & 4/11/2)

RESOLVED A.69.09.09.10 –

1. THAT the Risk Management Framework; Risk Identification and Measurement Report; Risk Management Implementation Plan; Fraud Response Plan; Fraud Prevention Implementation Plan; Internal Audit Manual; Internal Audit Three Year Plan and Annual Plan; and Internal Audit Charter be noted. (MM)

2. THAT the Risk Management Strategy, Fraud Policy, and Audit Committee Charter be approved to ensure proper risk management and an effective internal audit and risk management division. (MM)
3. THAT the Internal Audit Unit develops timeframes, controls and action plans with regard to Strategic Risks and submit it at a next meeting. (MM)

AuditReport_itm

ITEM A.70.09.09.10

AUDIT COMMITTEE: REPORT TO COUNCIL: 2009/2010 FINANCIAL YEAR (4/11/2)

RESOLVED A.70.09.09.10 –

THAT the report from the Audit Committee containing details of the focus, major resolutions and other activities of the Audit Committee for the 2009/2010 financial year be noted. (CFO)

ReportAuditCommittee_itm2

ITEM A.71.09.09.10

PARTICIPATION IN INTER-MUNICIPAL GAMES: GREATER TZANEEN MUNICIPALITY (12/3/3/78)

REMARK:

Cllr J Dzhombe duly seconded by Cllr S Masuka proposed, that three (3) councillors from the Sports and Recreation Portfolio Committee accompany the officials to the Games as representatives of the Municipality. The proposal is recorded under paragraph 2 below as Council Resolution.

RESOLVED A.71.09.09.10 -

1. THAT **Council approves** an invitation from South African Inter Municipal Sport Association, attached as Annexure to the report in this regard, subject to the following conditions:
 - 1.1 Permission is granted that forty five (45) non-essential services personnel participate in the South African Inter-Municipal Games to be held at Greater Tzaneen Municipality for the period 25 September 2010 to 2 October 2010, and that all related expenditure be financed from funds available under the Employee Assistance Programme (EAP) of the 2010/2011 Estimates.
 - 1.2 Special leave be granted to all forty five (45) staff members referred to in paragraph 1 above for the period 25 September 2010 to 2 October 2010.
 - 1.3 The registration fee to the amount of R10 000,00 be paid by Council in terms of the Municipal Finance Management Act, 2003.
 - 1.4 Council also pay R168 630,00 for accommodation and R8 960,00 for transport fees for bus transport to and from the location.

2. THAT three (3) councillors from the Portfolio Committee: Sports and Recreation accompany the officials to the Games as representatives of the Municipality. (DCSS)
 3. THAT all sports items must be considered by Portfolio Committee: Sports and Recreation. (DCSS)
- MunicipalGames_itm

ITEM A.72.09.09.10

FINANCES: REQUEST FOR THE APPROVAL OF THE WRITE-OFF OF THE ASSETS THAT COULD NOT BE VERIFIED (8/1/3/3)

REMARK:

Cllr A du Plooy from Democratic Alliance requested that his vote be recorded against the Council Resolution in the above matter.

RESOLVED A.72.09.09.10 –

THAT Council approves the write off of the assets that could not be verified to the amount of R1 037 451,23.

WriteOffAssets_itm2

(CFO)

ITEM A.73.09.09.10

FINANCES: WRITE-OFF OF INVENTORY ITEMS THAT COULD NOT BE VERIFIED (8/1/3/1)

REMARK:

Cllr A Kennealy from Democratic Alliance requested that her vote be recorded against the Council Resolution in the above matter.

RESOLVED A.73.09.09.10 –

1. THAT the Council approves the write-off of inventory items that could not be verified as detailed in **Annexure A** attached to the report in this regard. (CFO)
2. THAT Council must register their items in both electronic and manual register. (CFO)

WriteOffStock_itm2

ITEM A.74.09.09.10

AUDIT COMMITTEE: REPORT TO COUNCIL: 2009/2010 FINANCIAL YEAR UP TO AUGUST 2010 (4/26/1/1 & 4/11/2)

RESOLVED A.74.09.09.10 –

1. THAT the report from the Audit Committee for the period up to 31 August 2010 containing details of the focus, major resolutions and other activities of the Audit Committee be noted. (CFO)

2. THAT the Chairperson of the Portfolio Committee Finance be invited to attend the Audit Committee meetings as an observer. (DCSS)
3. THAT a representative from Portfolio Committee Finance be invited to attend Operation Clean Audit Task Team meeting to be held on 31 August 2010. (DCSS)

ReportAuditCommittee_itm

ITEM A.75.09.09.2010

FINANCE: SARS CIRCULAR ON CAR ALLOWANCE TAXATION (5/5/2/1)

REMARK:

1. This item was considered together with item A.77.09.09.10.
2. Cllr M E Lebea proposed that Cllrs M S Matamela and M M Makananise be involved in the investigation to be undertaken by the Chief Financial Officer with SARS. The proposal was not seconded, and therefore cannot be recorded as a Council Resolution.

RESOLVED A.75.09.09.10 -

1. THAT the amount owed by Councillors and employees in respect of tax under-deducted for transport allowances, as indicated in Annexure B be deducted in one full and final settlement in the salary cycle of September 2010. (CFO)
2. THAT note be taken of the amended Annexure B – Councillors and Officials table which was tabled anew to the Executive Committee at their meeting held on 9 September 2010. (CFO)
3. THAT the Chief Financial Officer, Mr R H Maluleke investigate with SARS the implication on whether councillors were taxed as “councillors allowance” or “councillors salary” and submit the outcome at the next Executive Committee meeting, and also submit the Circular issued in 2005/2006 financial year together with amended Income Tax Act. (CFO)

ITEM A.76.09.09.10

FINANCES: FUNDING OF MUNICIPAL STUDY TOUR TRIP TO ZIMBABWE AND ZAMBIA FROM 25 SEPTEMBER 2010 TO 4 OCTOBER 2010-09-07 (12/3/3/2)

REMARK:

During the consideration of this item the Speaker ruled that the following Councillors leave the Council Chamber for unbecoming behaviour, viz: Cllrs K D Mauba, N K Maboho and F D Mutavhatsindi.

RESOLVED A.76.09.09.10 –

1. THAT Council approves the funding of the study tour to Zimbabwe and Zambia scheduled for 25 September 2010 to 4 October 2010. (DCOMS)

2. THAT the expenditure in this regard be funded from funds available under vote no. 246/260102 of the 2010/2011 Estimates. (CFO)

3. THAT the Mayor, Cllr M M Lerule, be delegated to represent Makhado Local Municipality on the study tour to Zimbabwe and Zambia from 25 September 2010 to 4 October 2010. (DCOMS)

ITEM A.77.09.09.2010

**FINANCE: SARS CIRCULAR ON CAR ALLOWANCE TAXATION
(5/5/2/1)**

REMARK:

This item was considered together with item A.75.09.09.2010.

RESOLVED A.77.09.09.2010 –

THAT note be taken of the amended Annexure B – Councillors and Officials table which was tabled anew to the Executive Committee at their meeting held on 9 September 2010 and that the Chief Financial Officer proceed to do the deduction accordingly once off, with the following amendments:

1. “Part-time Councillors” must read “Part-time Executive Committee Members”
2. “Part-time Ordinary Councillors” must read “Part-time Councillors”. (CFO)

The Speaker, Cllr J Hoorzuk declared the meeting officially closed and the meeting adjourned at 18:30.

Approved and confirmed in terms of the provisions of section 27 of the Local Government Ordinance, 1939 (Ordinance 17 of 1939), by a resolution of the Council passed at the meeting held on 28 October 2010.

CHAIRPERSON