

**MAKHADO LOCAL MUNICIPALITY**  
**OFFICE OF THE DIRECTOR CORPORATE SERVICES**

MINUTES OF THE ONE HUNDRED AND THIRTY FIFTH (135<sup>th</sup>) SPECIAL COUNCIL MEETING OF MAKHADO MUNICIPALITY WHICH WAS HELD ON THURSDAY, 5 JULY 2018 IN THE COUNCIL CHAMBER, CIVIC CENTRE, KROGH STREET, MAKHADO AT 14:00.

**PRESENT**

**Councillors**

BABADU, T M  
 BALIBALI, T  
 BALOYI, R S  
 BULALA, S I  
 CHILOLO, N F  
 DAVHANA, N D  
 DZIVHANI, T E  
 GABARA, M J  
 KUTAMA, N  
 KUTAMA, T  
 LUKHELI, J  
 MACHETHE, M S  
 MADULA, S  
 MADUWA, E  
 MADUWA, L G  
 MAGADA, M R  
 MAINGO, R T  
 MALANGE, T M  
 MALIVHA, N V  
 MALULEKE, K M  
 MAMAFHA, T C  
 MAMAFHA, T J  
 MAMOROBELA, T P  
 MAPHUBU, K  
 MARAGA, T A  
 MASHAMBA, M A  
 MASUKA, S  
 MASUTHA, L G  
 MATHALISE, L M  
 MATUMBA, A

MBOYI, M D  
 MOGALE, L B  
 MOHLABA, T J  
 MOKGOADI, M R  
 MTHOMBENI, S Z  
 MUKHARI, M F  
 MUKWEVHO, T D  
 MULEFU, M E  
 MUNYAI, N  
 MUNYAI, N S  
 MUSANDIWA, P N  
 NDOU, M N  
 NEMATANDANI, M C  
 NEMUDZIVHADI, N S  
 NETHULWE, M F  
 NYELISANI, S S  
 PHOSHOKO, M G  
 RALIPHADA, R  
 RAMAVHOYA, K S  
 RAMUSHAVHA, G M  
 RAPHALALANI, A A  
 RASHAMUSE, A G  
 SESHOKI, T  
 SIMANGWE, N J  
 SINYOSI, S M  
 TAMBANI, T E  
 TSHIAMBWA, L R  
 TSHIFURO, S S  
 TSHILAMBYANA, M S

**Officials**

N F TSHIVHENGWA	(MUNICIPAL MANAGER)
N C KHARIDZHA	(DIRECTOR CORPORATE SERVICES)
M D SINTHUMULE	(DIRECTOR DEVELOPMENT PLANNING)
N G RALIPHADA	(ACTING CHIEF FINANCIAL OFFICER)
M J KANWENDO	(DIRECTOR COMMUNITY SERVICES)
M G RALISHUKU	(ACTING DIRECTOR TECHNICAL SERVICES)
S W MATHONSI	(SARGEANT OF ARMS)
M D MUNYAI	(ADMINISTRATIVE OFFICER: COMMITTEES)

**Traditional Leaders**

KHOSI N T L MASHAMBA  
 KHOSI F MOLEMA

\* \* \* \* \*

## 1. OPENING: MOMENT OF REFLECTION

The Speaker, Cllr L B Mogale ruled that a moment of silence be observed for meditation and prayer, whereafter she declared the meeting officially opened and welcomed everyone present.

She expressed that all be reminded of the Municipality's Vision and Mission as follows:

Vision "A democratic, accountable and service delivery orientated municipality committed to good governance and socio-economic development of its community"

Mission "We will use available resources effectively in order to address socio-economic imbalances through infrastructure and local economic development opportunities".

## 2. NOTICE OF THE MEETING

The Speaker confirmed that all members had received notice of the meeting, i.e. by sms, by e-mail, as well as in hard copy format.

## 3. APPLICATION FOR LEAVE OF ABSENCE

RESOLVED –

THAT leave of absence be granted in terms of the provisions of Rule 21 of the Council's Rules of Orders, 2016 published under Provincial Gazette Notice no. 2736 dated 29 July 2016 in respect of the Special Council meeting held on 5 July 2018 to Cllrs A du Plooy, M G Furumela, F B Hlongwane, N B Jones, V S Luduvhungu, F N Madzhiga, N A Mafhala, M J Mpashe, G T Mukwevho, M E Malima, M L Masipa, D Ratshikuni, M A Selapyana, E T Sithi and G Tshibvumo.

### REMARK:

2.1 Cllr M D Ndou was not present at the meeting.

2.2 Khosi T G Muila, Hosi S T Mukhari, Khosi V C Ramabulana, Hosi H S Mukhari, Khosi P V Kutama, Khosi R H Sinthumule, Khosi M M Mphhephu and Khosi P Netsianda were not present at the meeting.

## 4. REPORTS OF THE EXECUTIVE COMMITTEE, UNDER THE SECTIONS:

### A. RECOMMENDATIONS TO COUNCIL

### B. DECISIONS UNDER DELEGATED AUTHORITY

#### A. 4.1(a) Recommendations of the Executive Committee in terms of section 59 (1) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000): July 2018

464<sup>th</sup> Executive Committee Meeting: 3 July 2018

465<sup>th</sup> Executive Committee Meeting: 5 July 2018

#### (b) Recommendations of the various Section 79 Oversight Committees in terms of section 59 (1) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000): July 2018

38<sup>th</sup> Section 79 Oversight Committee: Corporate Services meeting: 3 July 2018

25<sup>th</sup> Section 79 Oversight Committee: Finance meeting: 3 July 2018

21<sup>st</sup> Section 79 Oversight Committee: Development Planning meeting: 3 July 2018

26<sup>th</sup> Section 79 Oversight Committee: Finance meeting: 5 July 2018

**ITEM A.58.05.07.18 (originally A.58.28.06.18)****FINANCES: PROCUREMENT: SECTION 116(3): AMENDMENT OF CONTRACT FOR CONSTRUCTION OF MUDIMELI BRIDGE AND ACCESS ROAD PHASE 2 (8/3/2/1428)**

RESOLVED A.58.05.07.18 (COUNCIL)

THAT in terms of 116(3) of MFMA the Council approves the amendment of this contract after following all steps as indicated by this section which includes a public notice for 14 days. (CFO)

AmendContractMudimeli\_itm

**ITEM A.59.05.07.18 (originally A.59.28.06.18)****FINANCES: REQUEST FOR CONDONEMENT OF FRUITLESS AND WASTEFUL EXPENDITURE: 1 APRIL TO 31 MAY 2018 IN 2017/18 FINANCIAL YEAR (6/13/2/3 & 10/1/5/2)**

RESOLVED A.59.05.07.18 (COUNCIL)

1. THAT the amount of R289,875.01 from 1 April 2018 till 31 May 2018 Quarter 4 of the 2017/18 financial year be written off as irrecoverable based on the reasons that the Municipality did not pay Eskom, Telkom and Department of Labour on due dates of their invoices, which resulted in interest charges on overdue accounts and compelled municipality to pay as additional amount to the account, as more fully recorded in Annexure A attached to the report in this regard.

(CFO)

2. THAT Council review items and reasons provided for Council to condone fruitless and wasteful expenditure of R289,875.01 and further recommendation to MPAC where required.

(CFO/DCS)

3. THAT a letter must be submitted to National Treasury and MEC of Cogosta that Council has considered the items relating to Section 32 non-compliance and have evaluated reasons for condonation.

(CFO)

4. THAT Council analyse reasons of non-compliance and submission be made to and National Treasury and the continuing projects will continue to be disclosed as irregular expenditure in the financial statements for 2017/2018 financial year.

(CFO)

FruitlessExpenditureApril-May018\_itm

**ITEM A.60.05.07.18 (originally A.60.28.06.18)****FINANCE: ASSETS MANAGEMENT: ASSETS DISPOSAL 2017/18 FINANCIAL YEAR (6/13/1/1/1, 8/B & 10/1/4/3)**

RESOLVED A.60.05.07.18 (COUNCIL)

THAT Council approves the disposal of the redundant and obsolete movable assets so that income can be generated and the scrapping assets, as more fully recorded in Annexure A attached to the report in this regard, from the Assets Register for the 2017/18 financial year as at 30 June 2018. (CFO)

AssetsDisposal\_itm

**ITEM A.61.05.07.18 (originally A.61.28.06.18)****REPORTS: PROCUREMENT: IRREGULAR EXPENDITURE: JANUARY 2018 TO APRIL 2018  
(10/1/5/2)****REMARK:**

When this matter was considered, Cllr N Kutama proposed, duly seconded by Cllr T D Mukwevho that the accounting officer must review all contracts in order to establish if there is any irregularities. If irregular appointments were found, a report must be submitted at the next Council meeting in order for MPAC to do further investigation and where consequence management is warranted, must be implemented. The proposal was recorded herein below as Council Resolution.

**RESOLVED A.61.05.07.18 (COUNCIL)**

1. THAT Council review items and reasons provided for Council to condone expenditure of R7,538,160.15 from 1 January to April 2018 and further recommendation to MPAC where required. (CFO)
2. THAT a letter must be submitted to National Treasury and MEC of Coghsta that Council has considered the items relating to Section 32 non-compliance and have evaluated reasons for condonation. (CFO)
3. THAT if items not condoned after Council analysis and National Treasury approval of the non-compliance aspect to the MFMA, the items will continue to be disclosed as irregular expenditure in the financial statements for 2017/2018 financial year. (CFO)
4. THAT the accounting officer must review all contracts in order to establish if there is any irregularities and if irregular appointments were found, a report must be submitted at the next Council meeting in order for MPAC to do further investigation and where consequence management is warranted, must be implemented. (MM)

IrregularExpenditureJan2018-April2018\_itm

**ITEM A.62.05.07.18 (originally A.62.28.06.18)****REPORTS: PROCUREMENT: CLAUSE 36: QUOTATION DEVIATIONS: 3<sup>rd</sup> QUARTER: 2017/2018 FINANCIAL YEAR  
(10/1/5/2)****RESOLVED A.62.05.07.18 (COUNCIL)**

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 during the 3rd quarter of the 2017/2018 financial year in the amount of R292,299.60 and which each was duly approved by the Accounting Officer before it was procured, be condoned by Council.

QuotationDeviation3rdQuarter2017-2018\_itm

(CFO)

**(REMARK:** Items A.63.26.07.18 to A.65.26.07.18 will be considered at the Council meeting of 26 July 2018)

**CONFIDENTIAL****ITEM CA.66.05.07.18 (originally CA.66.28.06.18)****CONFIDENTIAL MATTER****CONFIDENTIAL****ITEM CA.67.05.07.18 (originally CA.67.28.06.18)****CONFIDENTIAL MATTER****ITEM A.68.05.07.18 (originally A.68.28.06.18)****PERSONNEL: TRANSFER OF WATER AND SANITATION STAFF AGREEMENT TO VHEMBE DISTRICT MUNICIPALITY: ADDENDUM (5/5/11; 13/4)**

RESOLVED A.68.05.07.18 (COUNCIL)

1. THAT note be taken of the South African Local Government Bargaining Council Variation Ruling under case no. LPD 111606 (Makhado) effective 21 May 2018 in that four (4) fixed contract Water Tanker Drivers were registered as permanent employees of Makhado Local Municipality in terms of section 198B of the Basic Conditions of Employment Act, Act no. 75 of 1997, as amended. (DCS)
2. THAT the following four (4) Water Tanker Drivers be transferred with immediate effect to Vhembe District Municipality as water services functionaries:
  - 2.1 H I Tshikumbana,
  - 2.2 V F Ramufhufhi,
  - 2.3 N T Mishasha and
  - 2.4 N S Raphunga

Under the same terms and conditions of the transfer already effected by Council Resolution A.20.15.03.18 and of which formalities were concluded on 15 June 2018. (DCS)

AddendumTransferWaterServicesStaff\_itm

**(REMARK:**

1. Items A.69.26.07.18 to A.72.26.07.18 will be considered at the Council meeting of 26 July 2018.
2. Items A.73.28.06.18 to A.82.28.06.18 is captured under paragraph 4.1(b) elsewhere in this minutes.)

**ITEM A.83.05.07.18 (originally A.83.28.06.18)****COUNCIL LAND: PROPOSED SALE: ERF 1308 AND A PORTION OF THE REMAINDER OF ERF 1309, HA-TSHIKOTA TOWNSHIP (7/4/1/1)**

## RESOLVED A.83.05.07.18 (COUNCIL)

1. THAT the intention to sell erf 1308 and a portion measuring 8000m<sup>2</sup> on erf 1309, Ha-Tshikota Township be in terms of the provisions of section 79(18) of the Local Government Ordinance 1939, (Ordinance 17 of 1939) as amended be advertised in one (1) of the local newspapers for comments and objections, if any. (DDP)
2. THAT erf 1308 be sold as per market related price on the General Valuation Roll and a portion measuring 8000m<sup>2</sup> on erf 1309 be sold at a market related valuation determined by the Professional Valuer which will serve as the purchase price for the property. (DDP)
3. THAT the purchaser must appoint a Professional Land Surveyor for the subdivision of a portion measuring 8000m<sup>2</sup> on erf 1309 and the approved subdivided diagram must be used by the Professional Valuer for the determination of purchase price. (DDP)
4. THAT at the cost of the applicant, an application for permanent closure of portion to be subdivided from erf 1309 must be submitted prior to the transfer, consolidation and rezoning of the property. (DDP)
5. THAT after the registration of the property, the purchaser must submit an application for the rezoning and consolidation of the subdivided portion with erf 1308. (DDP)
6. THAT the developer submits a development proposal for consideration. (DDP)
7. THAT 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 a further (2) years. (DDP)
8. THAT in the event that the developer failed to complete the development as required under paragraph 6 above, the property shall revert back to Council without compensation by the Municipality to the developer for any improvements on the property. (DDP)
9. THAT the standard conditions for the sale of Municipal land will further apply. (DDP)
10. THAT memorandum of agreement made and entered into by and between Makhado Local Municipality and Mr Madzhe P. (DDP)
11. THAT the applicant be informed in terms of the provisions of item 17(t) read with item 18(4) of the Makhado Local Municipality Immovable Disposal Policy that a request in the above regard cannot be processed unless first confirmed in writing that he/she will bear all costs relative to the advertisements and valuation. (DDP)

12. The approval is further subject to the following conditions:

12.1 **Electricity:** ESKOM is the supply agent.

12.2 **Water:** Water services must be confirmed by the applicant with Vhembe District Municipality as the Water Services Authority.

12.3 **Sewer:** Sewer services must be confirmed by the applicant with Vhembe District Municipality as the Water Services Authority.

12.4 **Property Rates:** The landowner must pay all property rates due to the Municipality with retrospective effect of 1 July 2008 if no payments for property rates were processed.

(DDP)

PurchaseErf1308&1309Vhuthu\_itm

**ITEM A.84.05.07.18 (originally A.84.28.06.18)**

**COUNCIL LAND: PROPOSED SALE: ERF 1953 AND 3456, LOUIS TRICHARDT EXTENSION 2 TOWNSHIP BY MEANS OF PUBLIC TENDER (E1953 & E3456)**

RESOLVED A.84.05.07.18 (COUNCIL)

THAT the proposed sale of erf 1953 and erf 3456, Louis Trichardt Extension 2 Township by means of public tender for the purpose of development be approved, subject to the following conditions:

1. The properties be made available for development through public tender process and the Director Development Planning continue with the necessary steps in this regard.
2. The municipal valuer determine the market value of the properties which will serve as a base price and bidder who offer less than the market valuer must not be considered.
3. Bidder will be allowed to offer a combined bid amount inclusive on both the properties.
4. In the event that the successful bidder fails to make a payment within 90 days from the date the opportunity was given, the Deed of sale will be cancelled without further notice and opportunity should be given to the next bidder provided that the bid amount is more than the market valuer.
5. Bidder will be responsible for the rezoning of the property or properties from “municipal” to the intended use.
6. Before any development proposal, the property or properties must be first registered at the Deeds Office.
7. The property or properties be developed within three (3) years from the date of signing the Deed of Sale, provided that Council may allow an extension of a further (2) years.
8. In the event that the developer failed to complete the development as required under paragraph 7 above or if the extension lapse, the property must be revert back to Council without compensation by the Municipality to the developer.
9. The standard conditions for the sale of Municipal land will further apply.
10. A memorandum of agreement be made and entered into by and between Makhado Local Municipality and the successful bidder.
11. The approval is further subject to the following conditions:

11.1 **Electricity:** Erf 1953 and Erf 3456 Louis Trichardt have no existing connection. A maximum of 50kVA can be made available for each erf. Should this capacity be insufficient, any additional supply would be subject to-

- (a) Overall availability of capacity in the Municipality's electricity supply scheme.
- (b) A fully motivated written application by the client which will be submitted to Senior Management for their consideration.
- (c) Only a maximum of 50kVA may in any way be considered according to present status of the electricity supply scheme.

The client is further obliged to comply with the following conditions:

- (i) Application for additional electricity supply must be done by a professional electrical engineer, who must also do the design thereof and supervise all installation work.
- (ii) All installations must comply with the Electrical Installations Regulations promulgated under the Occupational Health and Safety Act, 1993.
- (iii) Only a registered 3 phase installation electrician may be permitted to install, test and certify the installation work, which must be submitted to Municipality.
- (iv) Actual costs plus an electrical engineering contribution proportional to the additional demand on the electricity supply scheme will be payable by the client upfront.

11.2 **Water:** The Municipality is an operational agent of Vhembe District Municipality who is the WSA and therefore no comments can be given about water supply capacity.

11.3 **Sewer:** The Municipality is an operational agent of Vhembe District Municipality who is the WSA and therefore no comments can be given about sewer supply capacity.

11.4 **Property Rates:** The landowner must pay all property rates due to the Municipality with retrospective effect of 1 July 2008 if no payments for property rates were processed.

AuctionErf1953&3456\_itm

(DDP)

#### **ITEM A.85.05.07.18**

#### **COUNCIL LAND: POSSIBILITIES TO REPOSSESS PROPERTIES SOLD BY COUNCIL (E 2543, E 2544, E2545, E 2546, E 2547, E 2548 E 2549, E 2550, E 2551, E 2552, E 2556, E 2557, E 2558 & E 2559)**

RESOLVED A.85.05.07.18 (COUNCIL)

1. THAT the process for the possibilities to repossess Council land mentioned on the report and as per deed of sale agreement entered by and between Huiyu Tian on behalf of Weal Sweet Real Estate Development and the Municipality must be instigated by the Municipal Manager and all the Directors. (DDP)
2. THAT the Council must be given report on the third quarter of 2018/2019 financial year on the matter. (DDP)

RepossessionPropertiesSold\_itm



**ITEM A.86.05.07.18****COUNCIL LAND: TRANSFER OF ERF 3416 TO THE MUNICIPALITY  
(E 3416)**

RESOLVED A.86.05.07.18 (COUNCIL)

1. THAT the correspondence must be send to Hammann-Moosa Attorneys with a directive to respond within thirty (30) days from the date of acceptance. (DDP)
2. THAT in the event that Hammann-Moosa Attorneys fails to respond within the period mentioned under paragraph one, the appointed Municipality conveyancer must be given the responsibility to proceed with the transfer. (DDP)
3. THAT the Municipality is being affected in terms of revenue collection and growth, and the matter must be treated with urgency. (DDP)

TransferErf3416\_itm

**ITEM A.87.05.07.18****COUNCIL LAND: PROPOSED PURCHASE OF ERF 239 AND ERF 240, ELTIVILLAS  
EXTENSION 1 TOWNSHIP: M M MABUDA  
(EE 239 & EE 240)**

RESOLVED A.87.05.07.18 (COUNCIL)

THAT an application for the proposed purchase of erf 239 in extent 805m<sup>2</sup> and erf 240 in extent 806m<sup>2</sup>, Eltivillas Extension 1 Township received from Mr M.M Mabuda on behalf of Farisani Investment Pty Ltd be approved subject to the following conditions:

1. The intention to sell erf 239 in extent 805m<sup>2</sup> and erf 240 in extent 806m<sup>2</sup>, Eltivillas Extension 1 Township be in terms of the provisions of section 79(18) of the Local Government Ordinance 1939, (Ordinance 17 of 1939) as amended be advertised in local newspapers for comments, if any.
2. The general valuation roll for the period of 2014 to 2018 which will serve as the purchase for erf 239 and erf 240, Eltivillas Extension 1 Township be considered.
3. The signing of deed of sale agreement as well as the payment must be done and concluded within six months from the date of Council resolution provided that there is no objection received during advertisement period.
4. In the event there is an objection, the deed of sale and payment must be concluded within three months from the date the objection was concluded provided that the objection was not concluded within six months from the date of Council resolution as mentioned on paragraph 3 above.
5. In the event that the applicant fails to sign the deed of sale agreement and make payment as mentioned above, the opportunity given must be cancelled without further notice.

6. An application for rezoning must be submitted for consideration.
7. Before the commencement of the development or submission of rezoning application, the property be first registered at the Deeds Office.
8. 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 a further (2) years.
9. In the event that the developer failed to complete the development as required under paragraph 8 above, the property must revert back to Council without compensation by the Municipality to the developer for any improvements on the property.
10. The standard conditions for the sale of Municipal land will further apply.
11. A memorandum of agreement be made and entered into by and between Makhado Local Municipality and Mr M M Mabuda.
12. The applicant be informed in terms of the provisions of item 17(t) read with 18(4) of the Makhado Local Municipality Immovable Disposal Policy that a request in the above regard cannot be processed unless first confirmed in writing that he/she will bear all costs relative to the advertisements.
13. The approval is further subject to the following conditions:

13.1 **Electricity**: Erf 240 Eltivillas has no existing electricity supply capacity. Only a 16kVA can be made available. Should this capacity be insufficient, any additional supply would be subject to-

- (a) Overall availability of capacity in the Municipality's electricity supply scheme.
- (b) A fully motivated written application by the applicant which will be submitted to Senior Management for their consideration.
- (c) Only a maximum of 50kVA may in any way be considered according to present status of the electricity supply scheme.

The applicant is further obliged to comply with the following conditions:

- (j) Application for additional electricity supply must be done by a professional electrical engineer, who must also do the design thereof and supervise all installation work.
- (v) All installations must comply with the Electrical Installations Regulations promulgated under the Occupational Health and Safety Act, 1993.
- (vi) Only a registered 3 phase installation electrician may be permitted to install, test and certify the installation work, which must be submitted to Municipality.
- (vii) Actual costs plus an electrical engineering contribution proportional to the additional demand on the electricity supply scheme will be payable by the applicant upfront.

13.2 **Water**: Water services must be confirmed by the applicant with Vhembe District Municipality as the Water Services Authority.

13.3 **Sewer:** Sewer services must be confirmed by the applicant with Vhembe District Municipality as the Water Services Authority.

13.4 **Property Rates:** The landowner must pay all property rates due to the Municipality with retrospective effect of 1 July 2008 if no payments for property rates were processed.

ProposedSaleErf239&240MMabuda\_itm

(DDP)

#### **ITEM A.88.05.07.18**

#### **COUNCIL LAND: PROPOSED PURCHASE OF ERF 239 AND ERF 240, ELTIVILLAS EXTENSION 1 TOWNSHIP: J DRIVER (EE 239 & EE 240)**

RESOLVED A.88.05.07.18 (COUNCIL)

1. THAT an application for the proposed purchase of erf 239 in extent 805m<sup>2</sup> and erf 240 in extent 806m<sup>2</sup>, Eltivillas Extension 1 Township received from Driver Jyoti be not approved. (DDP)
2. THAT it be noted that the applicant was given an opportunity previously under Council Resolution A.22.26.04.17 to purchase erf 4980 situated in Louis Trichardt Extension 8 Township and has not yet made the payment or commitment. (DDP)

ProposedSaleErf239&240JDriver\_itm

#### **ITEM A.89.05.07.18**

#### **COUNCIL LAND: NULLIFICATION OF COUNCIL RESOLUTION AND PROPOSED SALE: PORTION 90 (A PORTION OF PORTION 7) FARM BERGVLIET NO. 288-LS (IN LIEU OF ERF 235, ELTIVILLAS EXTENSION 1 TOWNSHIP) (7/2/3/1 & 15/3/15)**

RESOLVED A.89.05.07.18 (COUNCIL)

THAT an application for the proposed purchase of Portion 90 (A portion of portion 7) farm Bergvliet 288 LS in lieu of erf 235 situated in Eltivillas Extension 1 Township received from Mr M H Muswobi, the managing director of Suku Investment be approved, subject to the following conditions:

1. The Council Resolution A.79.25.10.07 is nullified and the intention to sell Portion 90 (A portion of portion 7) farm Bergvliet 288 LS in lieu of erf 235 Eltivillas Extension 1 be in terms of the provisions of section 79(18) of the Local Government Ordinance 1939, (Ordinance 17 of 1939) as amended be advertised in local newspapers for comments, if any.
2. The properties be sold at a market related valuation determined by the Professional Valuer which will serve as the purchase price.
3. The applicant will be responsible for the process related to rezoning and "Public Open Space" closure and Municipality will not be liable for any issue which may arise during the process.

4. The signing of deed of sale agreement as well as the payment must be done and concluded within six months from the date of Council resolution provided that there is no objection received during advertisement period.
5. In the event there is an objection, the deed of sale and payment must be concluded within three months from the date the objection was concluded provided that the objection was not concluded within six months from the date of Council resolution as mentioned on paragraph 4 above.
6. In the event that the applicant fails to sign the deed of sale agreement and make payment as mentioned above, the opportunity given must be cancelled without further notice.
7. Before the commencement of the development, the property be first registered at the Deeds Office,
8. 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 a further (2) years.
9. In the event that the developer failed to complete the development as required under paragraph 8 above, the property must revert back to Council without compensation by the Municipality to the developer for any improvements on the property.
10. The standard conditions for the sale of Municipal land will further apply.
11. A memorandum of agreement be made and entered into by and between Makhado Local Municipality and Mr M H Muswobi of Suku Investment.
12. The applicant be informed in terms of the provisions of item 17(t) read with 18(4) of the Makhado Local Municipality Immovable Disposal Policy that a request in the above regard cannot be processed unless first confirmed in writing that he/she will bear all costs relative to the advertisements and valuation.
13. The approval is further subject to the following conditions:
  - 13.1 **Electricity:** Portion 90 of the farm Bergvliet 288 LS is a park and has no existing electricity supply capacity. Only a 50 kVA may be made available if rezoned to business or residential and will apply to the entire extent of Portion 90 of the farm Bergvliet 288 LS. Should this capacity be insufficient, any additional supply would be subject to-
    - (a) Overall availability of capacity in the Municipality's electricity supply scheme.
    - (b) A fully motivated written application by the client which will be submitted to Senior Management for their consideration.
    - (c) Only a maximum of 50kVA may in any way be considered according to present status of the electricity supply scheme.The applicant is further obliged to comply with the following conditions:
  - (i) Application for additional electricity supply must be done by a professional electrical engineer, who must also do the design thereof and supervise all installation work.

- (ii) All installations must comply with the Electrical Installations Regulations promulgated under the Occupational Health and Safety Act, 1993.
- (iii) Only a registered 3 phase installation electrician may be permitted to install, test and certify the installation work, which must be submitted to Municipality.
- (iv) Actual costs plus an electrical engineering contribution proportional to the additional demand on the electricity supply scheme will be payable by the applicant upfront.
- a. **Water:** Water services must be confirmed by the applicant with Vhembe District Municipality as the Water Services Authority.
- b. **Sewer:** Sewer services must be confirmed by the applicant with Vhembe District Municipality as the Water Services Authority.
- c. **Property Rates:** The landowner must pay all property rates due to the Municipality with retrospective effect of 1 July 2008 if no payments for property rates were processed.

ProposedSalePortion90BergvlietMHMuswobi\_itm

(DDP)

#### **ITEM A.90.05.07.18**

#### **STATE LAND: DEVOLUTION (DONATION) TRANSFER OF ERF 378, LOUIS TRICHARDT TO THE MUNICIPALITY (E378)**

RESOLVED A.90.05.07.18 (COUNCIL)

1. THAT the Council noted the letter from the Department of Co-operative Governance, Human Settlement & Traditional Affairs attached on the report. (DDP)
2. THAT the Council accepts the devolution (donation) and transfer of erf 378 situated at number 80 Anderson Street, Louis Trichardt Township from the Department to the Municipality. (DDP)
3. THAT the property must be included in the Municipality assets register after the completion of transfer and registration processes with the Deeds Office. (DDP)

DonationErf378toMunicipality\_itm

#### **ITEM A.91.05.07.18**

#### **FINANCES: MEETING BETWEEN THE MINISTER OF COGTA AND AFFECTED MUNICIPALITIES ON THE INVESTMENTS WITH VBS MUTUAL BANK (6/8/B; 6/8/1)**

#### **REMARK:**

1. This report was referred from B.18.03.07.18.
2. When this matter was considered, Cllr S M Sinyosi proposed on behalf of the Executive Committee that item B.18.03.07.18 become A.91.05.07.18 as was originally in the Executive Committee agenda, and not a B-item as resolved by the Executive Committee on 3 July 2018. The proposal was accepted in general and Council proceeded to consider the report of the Executive Committee accordingly.

RESOLVED A.91.05.07.18 (COUNCIL)

1. THAT Council note the report. (CFO)
  2. THAT Council inform MPAC on the current developments with regard to VBS investments for processing. (CFO)
- VBSDevelopment\_itm

**ITEM A.92.05.07.18**

**FINANCES: PROCUREMENT: SECTION 116(3): AMENDMENT OF CONTRACT FOR CONSTRUCTION OF TSHIKWARANI TO ZAMEKOMSTE ROAD PHASE 2 (VARIATION ORDER)  
(8/3/2/1425)**

RESOLVED A.92.05.07.18 (COUNCIL)

THAT in terms of 116(3) of the MFMA the Council considers amendment of the contract for construction of Tshikwarani to Zamekomste Road Phase 2 after following all steps as indicated by this section which includes a public notice for 14 days. (CFO)

VariationOrderTshikwarani\_itm

\* \* \* \* \*

**4.1 (b) Recommendations of the Section 79 Standing Committee: MPAC in terms of section 59 (1) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000): July 2018**

**ITEM A.73.05.07.18 (originally A.73.28.06.18)**

**MPAC: INTEGRATED DEVELOPMENT PLAN (IDP) 2017/18 – 2021/2022 FINANCIAL YEAR  
((15/7/1, 15/8/1 & 6/1/1(2017/18))**

RESOLVED A.73.05.07.18 (COUNCIL)

MPAC took note of the Integrated Development Plan 2017/18 – 2021/2022 Financial Year.

DraftIDP2017-2018\_itm (DCS)

**ITEM A.74.05.07.18 (originally A.74.28.06.18)**

**MPAC: MID-YEAR PERFORMANCE REPORTS: 2017/18 FINANCIAL YEAR  
1. FINANCES: BUDGET ASSESSMENT  
2. SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN  
(10/1/4/1 – 10/1/4/8, 10/1/5/2)**

RESOLVED A.74.05.07.18 (COUNCIL)

THAT all budgeted projects for 2017/2018 financial year must be implemented 100% by 30 June 2018.

MPACMidYear2017-2018 (DCS/CFO)

**ITEM A.75.05.07.18 (originally A.75.28.06.18)****MPAC: SECTION 71 REPORT: JANUARY 2018: 2017/2018 FINANCIAL YEAR  
(6/1/1(17/18))**

RESOLVED A.75.95.07.18 (COUNCIL)

THAT Municipality must continue to have a positive cash flow balance.

MPACSection71ReportsQuarter1\_itm

(CFO)

**ITEM A.76.05.07.18 (originally A.76.28.06.18)****MPAC: SECTION 71 REPORT: FEBRUARY 2018 : 2017/2018 FINANCIAL YEAR  
(6/1/1(17/18))**

RESOLVED A.76.05.07.18 (COUNCIL)

1. The Chief Financial Officer must continue to make follow up on households who were not paying their debts as well as encouraging a culture of payment.
2. Households must get electrical bills in time and electricity must be disconnected if payment was not done within three months.
3. Commercial and other organs of state must also pay in time.
4. The Municipality must check the write-off debt policy before writing off debts.
5. Improvement in revenue collection on debtors can reduce or prevent the deficit before considering transfers and subsidies that reduced the deficit to R7,098,000.00.
6. The original yearly budget must be split into 12 months that it can be easy to compare monthly budget with monthly actual results.
7. THAT the Municipality must have an expected cash balance in the bank account to enhance efficient utilization of cash e.g. having R237,745,285.00 may reflect inefficient use of cash during the financial year for service delivery.
8. THAT the budget must be implemented as planned for proper running of the municipality
9. THAT the bank (VBS must be changed since it is under curatorship)
10. THAT the cash that is currently not in use must be invested. (CFO)

**ITEM A.77.05.07.18 (originally A.77.28.06.18)****MPAC REPORT: PROCUREMENT: CLAUSE 36: QUOTATION DEVIATIONS: 2<sup>ND</sup>  
QUARTER: 2017/2018 FINANCIAL YEAR  
(10/1/5/2)**

RESOLVED A.77.05.07.18 (COUNCIL)

1. THAT the MPAC requests a meeting with the Municipal Manager and the Department/Officials concerned. (DCS)
2. THAT the Director Corporate Services must submit breakdown of the whole cost of the training to MPAC as soon as possible. (DCS)
3. THAT the Director Corporate Services must submit breakdown of the cost to MPAC. (DCS)

4. THAT the Director Technical Services submit a breakdown of services rendered as well as the invoice. (DTS)
5. THAT depreciation value of the machine and the latest odometer reading must be submitted to MPAC. (DTS)
6. THAT the Accounting Officer provide more information about the payment. (MM)
7. THAT the Municipality must follow SCM policy by requesting 3 quotations. (MM/CFO)
8. THAT the Municipality must avoid unnecessary deviations. (MM/CFO)
9. THAT the Director Technical Services must provide more information and evidence to MPAC. (DTS)

**ITEM A.78.05.07.18 (originally A.78.28.06.18)**

**MPAC: PROCUREMENT: CLAUSE 36: QUOTATION DEVIATIONS FOR QUARTER 3, 2017/18 FINANCIAL YEAR  
(10/1/5/2)**

RESOLVED A.78.05.07.18 (COUNCIL)

1. THAT the Director Corporate Services must submit a breakdown in terms of the money spent to MPAC. (DCS)
2. THAT the Municipality must promote local radio stations. (DCS)
3. THAT the Municipality must also consider and promote local economic development. (DDP)

**ITEM A.79.05.07.18 (originally A.79.28.06.18)**

**MPAC: PROCUREMENT: IRREGULAR EXPENDITURE: 1 MAY 2017 TO JUNE 2017 AND 1 JULY 2017 TO 31 JANUARY 2018  
(10/1/5/2)**

**REMARK:**

When this matter was considered, Cllr A Matumba proposed, duly seconded by Cllr N F Chililo that officials who did not align with the Supply Chain Management Policy when awarding tenders must face consequences by management. The proposal was recorded herein below as Council Resolution.

RESOLVED A.79.05.07.18 (COUNCIL)

1. THAT with regard to the irregular expenditure of R34,125,773.59 from 1 May 2017 to 31 January 2018 which was referred to MPAC for investigation, the following be approved:
  - 1.1 The Chief Financial Officer must follow the Supply Chain Management process and procedure regarding procurement by quotations.
  - 1.2 The Chief Financial Officer must not allow procurement by one quotation only, but must ensure three (3) quotations are considered for any relevant procurement.
  - 1.3 The Supply Chain Management Policy of the relevant year must be followed, for e.g. a service provider was awarded a tender while he was owing the Municipality and this does not align with the said policy.



- 1.4 Tenders must be awarded within its validity period and proper prioritising of work be done to avoid it not being awarded on time.
- 1.5 Supply Chain Division must advertise tenders on time to avoid irregular expenditure.
- 1.6 The secretary of Bid Evaluation Committee and Bid Adjudication Committee must be different officers and not the same officer for both committees.
- 1.7 The Accounting Officer must follow the provisions of the Supply Chain Management Policy on the year when composing the respective Bid Committees.
- 1.8 The Chief Financial Officer must submit reports to Council on time to avoid irregular expenditure.
- 1.9 The Municipality must try to minimize the irregular expenditure to acceptable level.

(CFO)

2. THAT Council take note that the Supply Chain Division is under staffed, and that a System for Demand Management must be created as purported in clause 10 of the Supply Chain Management Policy, 2017. (CFO)
3. THAT Council invite the Office of the Auditor General to appear before MPAC to explore mechanisms on how to resolve irregular expenditure incurred by the Municipality. (MM)
4. THAT officials who did not align with the Supply Chain Management Policy when awarding tenders must be subjected to consequences by management. (MM/CFO)

**ITEM A.80.05.07.18 (originally A.80.28.06.18)**

**MPAC: AUDIT MANAGEMENT ACTION PLAN: 2017/18  
(10/1/2)**

RESOLVED A.80.05.07.18 (COUNCIL)

1. THAT MPAC noted the Audit Management Action Plan for 2017/2018 financial year. (MM)
2. THAT the administration must follow the Audit Management Action Plan to avoid audit queries. (MM)
3. THAT MPAC will be monitoring the Audit Management Action Plan quarterly. (MM)

**ITEM A.81.05.07.18 (originally A.81.28.06.18)**

**MPAC: MPAC WORK PLAN/PROGRAMME 2018/19 FINANCIAL YEAR  
(4/33)**

RESOLVED A.81.05.07.18 (COUNCIL)

THAT Council approves the MPAC Annual Work Plan/Programme for the 2018/2019 Financial Year. (DCS)

**ITEM A.82.05.07.18 (originally A.82.28.06.18)**

**MPAC: MUNICIPAL PUBLIC ACCOUNT COMMITTEE CHARTER, 2018/19 FINANCIAL YEAR  
(4/33)**

RESOLVED A.82.05.07.18 (COUNCIL)

THAT the Municipal Public Account Committee (MPAC) Charter: 2018/2019 Financial Year be approved. (DCS)

\* \* \* \* \*

**4.2 Resolution of the Executive Committee in terms of section 59 (1) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000): 465<sup>th</sup> Executive Committee Meeting: 5 July 2018**

(REMARK: Items B.15.03.07.18 to B.17.03.07.18 will be considered at the next ordinary Council meeting.)

**ITEM B.18.03.07.18**

**FINANCES: MEETING BETWEEN THE MINISTER OF COGTA AND AFFECTED MUNICIPALITIES ON THE INVESTMENTS WITH VBS MUTUAL BANK  
(6/8/B; 6/8/1)**

**REMARK:**

This item was referred as item A.91.05.07.18 during consideration of matters. The discussion was recorded under item A.91.05.07.18.

\* \* \* \* \*

The meeting was closed and adjourned at 15:42.

Approved and confirmed in terms of the provisions of Clause 22.1 of the Rules of Orders, 2016 promulgated in Provincial Gazette Notice No. 2736 of 29 July 2016 under Local Authority Notice 125, by a resolution of the Council passed at the meeting held on 31 July 2018.

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**CHAIRPERSON**

MDM/lh/SpecialCouncilMinutes\_135