

## MAKHADO LOCAL MUNICIPALITY

### OFFICE OF THE DIRECTOR CORPORATE SUPPORT AND SHARED SERVICES

MINUTES OF THE SEVENTY FIFTH (75<sup>TH</sup>) SPECIAL COUNCIL MEETING OF MAKHADO MUNICIPALITY WHICH WAS HELD ON THURSDAY, 29 MARCH 2012 IN THE COUNCIL CHAMBER, CIVIC CENTRE, KROGH STREET, MAKHADO AT 14:00.

#### PRESENT

##### Councillors

BALIBALI, N P  
BALOYI, S R  
CHILILO, N F  
DAVHANA, N D  
HLABIOA, M M  
HLONGWANE, B F  
HLUNWANI, K A  
KENNEALY, A  
KUTAMA, N  
LERULE, M M  
LUDERE, E H  
LUDERE, R  
LUDUVHUNGU, V S  
MACHETHE, M S  
MADAVHU, F F  
MADZHIGA, F N  
MADZIVHANDILA, M R  
MAGADA, M R  
MAHANI, M G  
MAHLADISA, S V  
MAKHUVHA, V S  
MALANGE, T M  
MALANGE, R  
MALIMA, M E  
MAMAFHA, T J  
MAMATSIARI, M S  
MAMOROBELA, T P  
MAPHAHLA, A Z  
MAPHALA, O S  
MASUKA, S  
MATHALISE, L M  
MATHAVHA, H F

MATHOMA, M P  
MATODZI, A M  
MATUMBA, M T  
MBOYI, M D  
MMBADI, T A  
MOGALE, L B  
MTHOMBENI, S Z  
MUKHARI, M F  
MULOVHEZI, M D  
MUTAVHATSINDI, F D  
MUTELE, T M  
NDWAMMBI, M T  
NDZOVELA, N G  
NELUVHOLA, A T  
NEMAFHOHONI, M G  
NETSHIVHULANA, T P  
NGOBENI, N E  
NKANYANE, R G  
RAMUDZULI, S D  
RASIMPHI, M P  
RATSHIKUNI, D T  
RATSHIVHOMBELA, M  
REKHOTSO, S M  
RIKHOTSO, F J  
SIKHWARI, I  
SHANDUKANI, M J  
SINYOSI, S M  
THANDAVHATHU, R  
TSHAVHUYO, T G  
TSHILAMBYANA, M S  
UNDERWOOD, J P

##### Traditional Leaders

None

##### Officials

A S TSHIKALANGE	(MUNICIPAL MANAGER)
T S NDOU	(DIRECTOR CORPORATE SUPPORT & SHARED SERVICES)
P G MATPHETO	(ACTING CHIEF FINANCIAL OFFICER)
E L MUGARI	(DIRECTOR COMMUNITY SERVICES)
M D SINTHUMULE	(DIRECTOR DEVELOPMENT & PLANNING)
T E RALULIMI	(DIRECTOR TECHNICAL SERVICES)
M E MATHEPE	(MANAGER INTERNAL AUDIT)
M D MUNYAI	(ADMINISTRATIVE OFFICER: COMMITTEES)
T E SHIRINGANI	(ADMINISTRATIVE OFFICER: COMMITTEES)

## 1. OPENING

The Speaker, Cllr F D Mutavhatsindi ruled that a minute of silence be observed for meditation and prayer, whereafter he 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 March 2012 to Cllrs A du Plooy, N J Matumba, T A Mmbadi, T C Mamafha, P F Mashimbye.

### REMARK:

1. The following Councillors and Traditional Leaders were not present at the meeting: M O Ahmed, M J Gabara, Z Jooma, M P Mazibuko, A J Mukhaha, N S Munyai, R T Makhubele as well as Hosi M S Bungeni, Khosi M C Masakona, Khosi M W Netsianda, Hosi J Baloyi, Khosi S A Mulima, Hosi H N Majosi, Khosi T P Nesengani, Khosi N T L Mashamba, Hosi S T Mukhari, Khosi T R V Mashau and Khosi V C Ramabulana.
2. That it be noted that one vacancy of Councillor existed in Ward 24 which was created when Cllr A S Gundula passed away on 8 November 2011. The By-elections in Ward 24 will be held on 28 March 2012.

## 3. OFFICIAL ANNOUNCEMENTS

None

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

The Speaker, Cllr F D Mutavhatsindi proposed congratulations to the following councilors on their birthdays:

Cllr M E Malima	-	1 February 2012
Cllr L M Mathalise	-	2 March 2012
Cllr N J Matumba	-	3 March 2012
Cllr T J Mamafha	-	3 March 2012
Cllr R Malange	-	6 March 2012
Cllr F J Rikhotso	-	7 March 2012

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

- 5.1 Cllr R Ludere proposed congratulations to the African National Congress for winning the By-Election in Ward 24, they received 1255 votes. The elected Councillor is R Selepe.
- 5.2 The Chief Whip, Cllr R Ludere proposed congratulations to the Municipal Public Accounts Committee for finalizing the Annual Report 2010/11 financial year in time.
- 5.3 The Mayor, Cllr M M Lerule proposed congratulations to the former Executive Mayor of Vhembe District Municipality, Cllr F F Dzhombere who has been appointed as MEC of Safety, Security and Liaison in Limpopo.

**6. THE REPORT OF THE EXECUTIVE COMMITTEE:**

**6.1 Resolutions of the Council in terms of section 59 (1) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000): 75<sup>th</sup> Special Council Meeting: 29 March 2012**

**ITEM A.30.29.03.12**

**PERSONNEL: EMPLOYMENT CONTRACT END OF TERM: MR A S TSHIKALANGE, MUNICIPAL MANAGER (5/3/4/9/2 & 5/3/B)**

**REMARK:**

Cllr R Ludere proposed, duly seconded by Cllr S V Mathladise that we are appointing Mr E L Mugari to act on the vacant position of Municipal Manager. The proposal is recorded as Council's Resolution under paragraph 2 herein below.

**RESOLVED A.30.29.03.12 –**

1. THAT Council takes note that the Employment Contract between Mr A S Tshikalange, Municipal Manager and the Mayor on behalf of Makhado Local Municipality, will come to an end, after a two (2) year period of employ, on Saturday, 31 March 2012. (DCSS)
2. THAT Council approves that the Director Community Services, Mr E L Mugari be appointed in terms of the provisions of section 54A of the *Local Government: Municipal Systems Act, 2000, as amended*, to act in the vacant post of Municipal Manager with effect of 1 April 2012 for a period not exceeding three (3) months while the recruitment process proceeds with immediate effect as prescribed by the said section. (DCSS/CFO)
3. THAT it be noted that the advertisement to call for candidates to apply for the post of Municipal Manager will be published nationally on 25 March 2012 onwards. (DCSS)

MM Contract extend (2)

**ITEM A.31.29.03.12**

**PUBLICITY: ANNUAL REPORT 2010/11: OVERSIGHT REPORT AND FINAL APPROVAL: SUBMISSION TO DEPARTMENT NATIONAL TREASURY AND DEPARTMENT PROVINCIAL AND LOCAL GOVERNMENT (10/1/4/1-8)**

**RESOLVED A.31.29.03.12 -**

1. THAT it be noted that the Oversight Committee considered the Final Annual Report, 2010/11 and can recommend that Council accepts it as more fully set out in its report of findings attached as Annexure A to this covering report. (DCSS)

2. THAT Council adopts the Oversight Committee's Report dated 14 March 2012 together with Annexure B, as amended by the Oversight Committee, as the Final Annual Report 2010/2011. (DCSS)
3. THAT the Municipal Public Accounts Committee (MPAC) adopts the Final Annual Report 2010/11 without reservation. (DCSS)
4. THAT it be noted that Council's Resolution under this report together with annexures will be submitted to National Treasury and the Provincial Department of Local Government and Housing for submission to the Minister of Cooperative Governance and Traditional Affairs, as well as the Auditor General's Office in the Province as Makhado Local Municipality's demonstration of municipal performance to its community, as purported in terms of Chapter 12 of the Local Government: Municipal Finance Management Act, 2003. (DCSS)
5. THAT the Municipal Public Accounts Committee (MPAC) recommends that forthwith it will do follow up on all the issues raised by the Auditor-General, as well as issues identified by MPAC as responded to by the Accounting Officer as not satisfactory, for e.g. the Plan of Action in each Department. (DCSS)

Oversight cover report March 2012

#### **ITEM A.32.29.03.12**

#### **FINANCES: FINAL CAPITAL AND OPERATIONAL ESTIMATES 2012/2013 TO 2014/2015 FINANCIAL YEAR (6/1/1 (2012/2013))**

RESOLVED A.32.29.03.12 -

1. THAT the Final Capital and Operational Estimates for the 2012/2013 financial year as more fully recorded in Annexure A 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 amendments and/or corrections and/or remarks:
  - 1.1 The contents of Summary of Budgeted Revenue for 2012/13 to 2014/15 Financial Years in the cover report be substituted for the following:

LIM344 Makhado - Table A4 Budgeted Financial Performance (revenue)			
Description	2012/13 Medium Term Revenue Framework		
R Thousand	Budget Year 2012/13	Budget Year 2013/2014	Budget Year 2014/2015
<b>REVENUE</b>			
Property rates	38,199,202.09	40,223,759.80	42,194,724.03
Service charges - electricity revenue	233,858,109.11	246,252,588.90	258,318,965.75
Service charges - water revenue	21,804,000.00	22,959,612.00	24,084,632.99
Service charges - refuse revenue	1,978,829.45	2,085,686.24	2,460,350.20
Rental of facilities and equipment	358,385.51	378,455.51	398,891.67
Interest earned - external investments	956,120.80	1,006,695.20	1,056,128.16
Interest earned - outstanding debtors	16,944,232.77	17,842,277.10	18,716,548.68
Fines	2,068,421.87	2,184,253.28	2,302,202.96
Licences and permits	10,001,111.36	10,561,173.60	11,129,359.40
Grants and subsidies	312,134,000.00	335,634,000.00	360,736,000.00
Other revenue	41,081,946.79	54,204,492.15	52,113,000.16
<b>TOTAL REVENUE</b>	<b>679,384,359.72</b>	<b>733,332,993.78</b>	<b>773,510,804.00</b>

1.2 The contents of Expenditure in the cover report be substituted for the following:

LIM344 Makhado - Table A4 Budgeted Financial Performance (expenditure)			
Description	2012/13 Medium Expenditure Framework		
DETAILS	Budget Year 2012/13	Budget Year 2013/2014	Budget Year 2014/2015
EMPLOYEE RELATED COSTS	184,576,810.98	194,913,112.40	205,438,420.47
REMUNERATION OF COUNCILORS	9,132,607.93	9,644,033.98	10,164,811.81
DEBT IMPAIRMENT	10,500,000.00	11,000,000.00	11,150,000.00
DEPRECIATION	62,000,000.00	62,500,000.00	63,000,000.00
FINANCE CHARGES	1,920,772.55	2,024,563.95	2,127,270.79
BULK PURCHASES	149,787,066.84	157,725,781.38	165,454,344.67
OTHER EXPENDITURE	<b>131,867,024.30</b>	<b>145,696,924.14</b>	<b>151,375,332.01</b>
CAPITAL PROJECTS	128,341,337.00	164,851,300.00	166,780,210.80
<b>TOTAL BUDGETED EXPENDITURE</b>	<b>678,125,619.60</b>	<b>738,455,715.85</b>	<b>765,490,390.55</b>

1.3 Any requested increase of amounts indicated in the final estimates can only be considered if an equal decrease can be presented in the same department;

1.3.1 the request for increase of the amount of R470 000 under vote number 12/260078 to R1,5m can be considered: Provided the Department Development Planning can offer an equal decrease elsewhere in their Final Estimates.

1.4 Projects listed in the Final Capital Estimates under items 131, 132, 133, 207, 258 and 276 be relocated to Final Operational Expenditure Estimates;

1.4.1 The project Schoemansdal Renovation must be deleted and the amount of R50 000 under item 266 must be relocated to vote 12/260078 LED Projects on the Final Operational Expenditure Estimates.

1.4.2 Figures must be indicated throughout in the 3<sup>rd</sup> column, 2014/2015 Financial Year of the Estimates.

1.5 The Procedure Manual to implement Procurement Policy must be reviewed as matter of urgency in order to alleviate undue delays in implementing capital projects, especially projects funded by MIG as income source.

1.6 The updating and verifying of Council's Register of Indigent Persons must be expedited in order to ensure credible information for Council's accurate revenue collection.

(CFO)

2. THAT the following 2012/2013 budget related policies be approved as more fully set out in Annexure 2 to Annexure 15 attached to the report in this regard-

Policies

2.1 Budget Policy – 2012/2013

2.2 Credit Control and Debt Collection (*this will be promulgated as a By-law of Municipality during the 2012/2013 financial year*).

2.3 Subsidy Scheme on Indigents Policy

2.4 Investment of Funds and Principles Policy

2.5 Asset Management Policy

2.6 Tariff and Free Basic Services Policy (*this will be promulgated as a By-law of Municipality during the 2012/2013 financial year*)

2.7 Principles on the Writing -off of Irrecoverable Debt Policy

2.8 Budget Virement Policy

2.9 Supply Chain Management Policy

2.10 Borrowing Policy

2.11 Funding and reserves policy

2.12 Expenditure Management Policy

2.13 Revenue Management Policy

and that note be taken of the contents of the **Property Rates By-laws, 2008** as the valid in use promulgated provisions related to municipal property rates.

(CFO)

3. THAT as a mechanism to limit operational expenditure, the priorities for procurement of all office furniture and all office equipment in the 2012/2013 financial year be determined as follows based on fully written motivation of Heads of Department

3.1 The I C T Steering Committee under leadership of the Accounting Officer will consider all requests for office equipment; for these purpose criteria and policy that would assist in prioritizing must be approved ; the decision of the Steering Committee will be final

3.2 The Top Management under leadership of the Accounting Officer will consider all requests for office furniture; for these purpose criteria and policy that would assist in prioritizing must be approved; the decision of Top Management will be final.

(DCSS)

4. THAT note be taken of the Revenue Enhancement Strategies and Mechanisms implemented since October 2011 under direct leadership of the Accounting Officer, as more fully recorded in Annexure 1 attached to the report in this regard, and that the contents thereof be completed to indicate target dates and responsible persons; the Revenue Enhancement Strategies must be further expanded and submitted to Portfolio Committees during Quarter 4 of 2011/2012.

(ALL DIRS)

5. THAT it be noted that the 2012/2013 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)

**ITEM A.33.29.03.12****DRAFT 2012/13-2016/17 INTEGRATED DEVELOPMENT PLAN  
(15/7/1)****REMARK:**

Cllr T J Mamafha proposed, duly seconded by Cllr T P Mamorobela that we need to have a special meeting with Councillors and officials to discuss issues which were not captured on the IDP which Councillors were not happy with. The proposal was recorded as Council Resolution under paragraph 2 below.

RESOLVED A.33.29.03.12 –

1. THAT Council adopts the Draft Integrated Development Plan for the period 2012/13 to 2016/17, with the following amendments:
  - a. The priority list of villages for electrification (p EC 2012/2009) must be amended to be in accordance with Council Resolution for the 2011/12 financial year.
  - b. The Nthabalala road, must be included in the Roads Priority list on page EC 2012/2016.
  - c. In respect of all roads listed in the Roads Priority list, it must be indicated who the responsible authority for the construction/improvement of such road is, i.e. whether it is a National Road, a Provincial Road, a District Road or a local municipal road, or a link road of possible joint responsibility. (DDP)
2. THAT a special meeting be arranged with Councillors and officials to discuss issues which are not captured on the IDP of which Councillors are not happy with. (DDP)

**ITEM A.34.29.03.12****DRAFT PERFORMANCE MANAGEMENT SYSTEM POLICY  
(1/3/54/1)**

RESOLVED A.34.29.03.12 -

1. THAT Council considers and adopts in principle the Draft Performance Management System Policy, 2012. (DDP)
2. THAT Council's Audit and Performance Management Committee submit a summarized version of the Performance Management System Policy, 2012 to Council by no later than 30 May 2012. (DDP/MM)

\* \* \* \* \*

The meeting was closed and adjourned at 16:35.

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 26 April 2012.

---

**CHAIRPERSON**

MDM/lh/SpecialCouncilMinutes\_75