



MINUTES

COUNCIL MEETING (NO 1 OF 2012)

DATE: FRIDAY 3RD FEBRUARY 2012

TIME: 14:00

**VENUE: COUNCIL CHAMBERS, SECOND FLOOR,
10 FIDCHARDT STREET, CIVIC CENTRE,
SASOLBURG**

EXTRACT FROM THE MINUTES OF THE FIRST ORDINARY MEETING OF THE COUNCIL (NO 1 OF 2012) HELD IN THE COUNCIL CHAMBERS, CIVIC CENTRE, 10 FICHARDT STREET, SASOLBURG ON FRIDAY, 3 FEBRUARY 2012 AT 14:00

The Council consists of 41 members of which the following were present at the meeting:

PRESENT

Councillors:	S Z Matena	Speaker
	B T Mahlaku	Executive Mayor
	S L Lempe	
Ms	N J Kubheka	
Ms	T L Soetsang	
Ms	A N Radebe	
	M W Khonto	
	K T Mabasa	
Ms	S Moreki	
Ms	S B Khunou	
	D M Oswald	
Ms	J M Phepheng-Lelahla	
	P J Mahlangu	
	V J Maseko	
	M J Msimanga	
Ms	M M Mosia	
Ms	M A Tamane	
	M G Ntoane	
Ms	S Holt	
	F C Coetzer	
	M S Poho	
	T J Mofokeng	
Ms	M N Sejaki	
	J J Grobbelaar	
Ms	N L Mdola	
	L R Chebase	
	D N Motloug	
Ms	D E Mokoena	
	J Du Plessis	
	S I Ramathesele	
	J D Viljoen	
	H J Moolman	
Ms	M C Van der Walt	
	L S Semonyo	
	T Du Toit	
	M D Nthebe	

OFFICIALS ON DUTY

Acting Municipal Manager		R Thekiso
Chief Financial Officer	Ms	M E Mokoena
Director: Organisational Development and Corporate Services		S S Mtakati
Acting Director: Economic Development and Planning	Ms	M Mafoso
Acting Director: Social Services		L P Thile
Acting Manager: Office of the Speaker		K A Moholi
Senior Administrative Officer (Committees) / Scribe	Ms	A M Seliane
Administrative Control Officer		N J Choma
Administrative Officer	Ms	N G Matsha

ABSENT WITH APOLOGY

Councillors: Ms S L Tshongwe
J J Geysers
T E Mosia

ABSENT WITHOUT APOLOGY

Councillors: M F Machaea
A K Mare

MEMBERS OF PUBLIC AND PRESS: 4

MINUTES

ITEM 1 **OPENING**

The Speaker, Councillor S Z Matena, welcomed everyone present and declared the meeting officially opened. He requested Pastor T Ntlatseng to open the meeting with a prayer.

ITEM 2 **APPLICATION FOR LEAVE OF ABSENCE**

RESOLVED

**FOR
ATTENTION**

That leave of absence from the First Ordinary meeting of the Council (no 1 of 2012) held on 3 February 2012 at 14:00 in the Council Chambers, Second Floor, 10 Fichardt Street, Civic Centre, Sasolburg be granted to Cllr S L Tshongwe, Cllr J J Geyser and Cllr T E Mosia.

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ITEM 3 **OFFICIAL ANNOUNCEMENTS**

- 3.1 **The Speaker, Councillor S Z Matena made the following announcements:**
- 3.1.1 That Community Development Workers would be moved from COGTA to the office of the Premier.
 - 3.1.2 That his office was awaiting IEC to issue a certificate to hold the by-elections in Ward 9.
 - 3.1.3 That the office of the Speaker would distribute a list of deployment of PR Councillors in due course.
 - 3.1.4 That Council was still awaiting a report on robberies that took place in Finance Department.

RESOLVED

**FOR
ATTENTION**

That a report on robberies that took place in Finance Department be submitted to Council.

AMM SM

3.2 The Executive Mayor, Councillor B T Mahlaku made the following announcements:

3.2.1 That the office of Public Works was building the Municipal Offices in Zamdela and they would probably be finished by October 2012. He further indicated that the last Council meeting would be in Zamdela New offices.

3.3 The Acting Municipal Manager, Mr R Thekiso made the following announcements:

3.3.1 That the Municipality appointed a company for the supply of vending machine/system as CONLOG contract has expired.

ITEM 4

MOTIONS OF SYMPATHY AND CONGRATULATIONS

4.1 Councillor K T Mabasa sent the words of condolences to the families of 5 Municipal workers who passed on as well as to the family of the former Metsimaholo D A Councillor, Mr T P Mosai who passed on.

4.2 Councillor D M Oswald sent the words of condolences to the family of Councillor P J Mahlangu who lost his two sons in a short space of time.

4.3 Congratulated the African National Congress (ANC) for celebrating 100 since its establishment.

4.4 Matriculants around Metsimaholo areas as well as Ms Malekgotla Mokoena were congratulated for performing very well in their final examinations.

4.5 Councillors N J Kubheka and A N Radebe were congratulated for being elected as committee members of the ANC Provincial Women's League.

4.6 Councillors N L Mdola and D E Mokoena were congratulated for being elected as the members of the ANCWL Regional Executive Committee.

4.7 Ms Baleka Mbethe was congratulated for being appointed as the Chairperson of African Review Mechanism Committee.

4.8 Councillor L S was congratulated for celebrating 18 years as Metsimaholo Councillor since 1993.

ITEM 5
MINUTES OF THE PREVIOUS MEETING

RESOLVED

**FOR
ATTENTION**

That the minutes of the Ordinary Council meeting (no. 6 of 2011) held on 1 December 2011 be approved.

DOD&CS

ITEM 6
DATE OF THE NEXT MEETING

RESOLVED

**FOR
ATTENTION**

1 That the proposed dates for the Senior Management Committee, Portfolio Committees, Audit Committee, mayoral Committee and Council meetings for the year 2012 as set out in Annexures A and B be approved subject to the following amendments:

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- The time for the sitting of the Portfolio Committee: Technical Services meeting to be held in September 2012 be changed to 14:00.

2 That the Second Ordinary meeting of the Council (no 2 of 2012) be held on **WEDNESDAY, 28 MARCH 2012**, at 14:00, in the **COUNCIL CHAMBERS, SECOND FLOOR, 10 FICHARDT SQUARE, CIVIC CENTRE, SASOLBURG.**

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ITEM 7
QUESTIONS OF WHICH NOTICE HAS BEEN GIVEN

None

ITEM 8
PETITIONS

None

ITEM 9
DEPUTATIONS

None

ITEM 10
NEW MOTIONS

- 1 None
- 2 That it be noted that Councillor J du Plessis indicated that Democratic Alliance submitted a motion to the office of the Municipal Manager regarding notification of Council meeting during October 2011 and that the motion was not attached in the Council agenda for discussion.

RESOLVED

**FOR
ATTENTION**

That the motion mentioned in 2 above be added in the agenda of the next Council meeting to be held in March 2012.

MM DOD&CS

ITEM 11
REPORTS FROM THE SPEAKER

11.1 **STATUS REPORT ON THE ELECTION OF COUNCIL WHIP**

That it be noted that the members who contribute to the fund would be invited to a workshop in due course.

11.2 **ESTABLISHMENT OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

That Councillors be given an opportunity to read the document in order to prepare for further discussions in future when the item is submitted to Council.

11.3 **REPORT FORM THE MEMORANDUM COMMITTEE**

RESOLVED

**FOR
ATTENTION**

- 1 That it be noted that Councillor T J Mofokeng from Democratic Alliance indicated that the matter should be addressed to the office of the Premier.
- 2 That the Municipal Manager be authorized to investigate if the issue of 30% quota for local based youth companies and 70% local procurement was feasible.

COUNCIL
AMM

ITEM 12
IMPLEMENTATION OF CAPITAL PROJECT: BULK SUPPLY SUBSTATION AND OVERHEAD LINE – LEITRIM AND AMELIA

RESOLVED

**FOR
ATTENTION**

- 1 That Council takes cognizance of the report.
- 2 That the funds be utilized towards the construction of the bulk supply substation and overhead line.

COUNCIL
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DLED

ITEM 13
MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT AND ADJUSTMENT BUDGET FOR THE 2011/2012 FINANCIAL YEAR

Councillor L S Semonyo, seconded by Councillor K T Mabasa, proposed that the Mid-year Budget and Performance Assessment and Adjustment Budget for the 2011/2012 financial year be approved with amendments mentioned in the Council meeting and those to be effected by the Chief Financial Officer.

Councillor D M Oswald, seconded by Councillor J J Grobbelaar, proposed that the Mid-year Budget and Performance Assessment and Adjustment Budget for the 2011/2012 financial year be referred back for amendments thereafter be submitted to the Special Council meeting to be convened.

The matter was put on vote by show of hands.

Those in favour of the proposal by Councillor L S Semonyo	-	19
Those in favour of the proposal by Councillor D M Oswald	-	14
Abstention.	-	0

RESOLVED

**FOR
ATTENTION**

1	That Council notes the contents of the report dealing with the mid-year budget and performance assessment and adjustments budget for 2011/2012.	COUNCIL
2	That Council notes that the mid-year budget and performance assessment was done in terms of Section 72 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003)	COUNCIL
3	That Council notes the actual performance of the municipality for the first 6 months of the financial year, against the service delivery targets contained in the approved 2011/12 Service Delivery and Budget Implementation Plan (SDBIP) as contained in Annexure I.	COUNCIL
4	That Council approves the revised annual service delivery targets as contained under section 3 of this report.	COUNCIL MM
5	That the Municipal Manager ensures that the quarterly targets are aligned to the revised annual targets as per recommendation 4 above.	
6	That the Municipal Manager must ensure that appropriate measures are implemented by Directorates to fast-track actual performance in areas where the mid-year review reflects material under-performance.	MM
7	That Council notes the progress made in addressing issues raised by the Oversight Committee on the 2009/10 Annual Report as reflected in the table above.	COUNCIL
8	Based on the assessment conducted, the following amendments are proposed on the OPEX: The maintenance of tarred roads be increased by R2.5 million.	COUNCIL

Overtime be adjusted to R13.8 million, as requested by various departments. (Annexure F)

Finance charges be adjusted by R7 million from R21.4 million to R14.4, in line with the GRAP requirements Standards.

The Bulk purchase of electricity increase by R7 million to R126.2 million.

The depreciation costs be increased to R70.8 million.

The **interest on external loan** be adjusted by R2.4 million from R3.4 million to R1 million.

- 9 Based on the assessment conducted, the following amendments are proposed on the CAPEX:

AMM

The loan amount for the 2011/2012 financial year be adjusted in line with revised cash to R19 million. Related projects be reviewed in line with planned projects that could still be implemented within this financial year and the necessary amendments be made to the service delivery targets on the SDBIP.

That the capital budget financed from own funding decrease from 37.1 million to R30.1 million as per Annexure H. Related projects be reviewed in line with planned projects that could still be implemented within this financial year. The necessary amendments be made to the service delivery targets on the SDBIP.

That capital budget be amended with capital projects funded by MIG as per Annexure G.

That capital budget be amended with capital projects funded by roll over project from DoE.

That capital budget be amended with capital projects funded by Human Settlements, Province, Fezile Dabi District Municipality, Rand Water and OMNIA.

The necessary amendments as reflected in final CAPEX as per Annexure H be made on the SDBIP.

10	That the Shifting of funds between votes in terms of Section 28 (2) (d) of the MFMA as per annexure A and C, be approved and reflected in the adjusted budget for 2011/12.	AMM
11	The revenue budget be adjusted to accommodate the under and over collection of revenue where applicable. (Annexure B)	AMM
12	That the revenue as well as the ensuing expenditure budgeted for the sale of land amounting to R17 million be reduced to R1 million.	AMM
13	That an adjustment Budget be submitted to Council to accommodate the following changes resulting from the Mid-year performance assessment, in terms of Section 28 (6) of the MFMA.	COUNCIL
13.1	Proposed Adjusted Capital Budget, Annexure J on page 68 graphs and schedules.	
13.2	Proposed Operating Budget as per Revenue sources and Expenditure type, Annexure K on page 70 schedule and charts.	
13.3	Proposed Operating Budget as per Expenditure vote, Annexure L on page 74 schedule and chart.	
13.4	Proposed Adjusted Statement of Financial Position, Annexure M.	
13.5	Proposed Adjusted Cash Flow, Annexure N on page76.	
14	That Council approves the 2011/12 mid-year budget and performance assessment report submitted by the Municipal Manger in terms of Section 72 (1) (b) of the MFMA subject to the following amendments made in the Council during the discussions:	COUNCIL

14.1	Cluster	IDP Priority	Original target	Revised target	Reasons for revision of targets
	Infrastructure Development (EID)	Urban and regional planning	100% completed Urban Revitalisation Strategy by end of Dec 2011	Target be removed and included in 2012/13 SDBIP	Delays in approval of the advert by the MM

Cluster	IDP Priority	Original target	Revised target	Reasons for revision of targets
Infrastructure Development (EID)	LED and poverty alleviation	100% of SMME Development plan submitted for approval by March 2012	Will be submitted to Council end April 2012	Delays in the approval of the LED strategy and implementation plan
		Implemented Poultry and Piggery Project by June 2012–(Sasol Mining)	Target to be removed	Sasol Mining has withdrawn the project and funds shifted to the Bricks & Paving project.
		100% of Marketing and Tourism Strategy/ Plan submitted for approval by March 2012	LED Strategy Implementation Plan including marketing & tourism will be submitted to Council by end April 2012	Delays in the approval of the LED strategy and implementation plan

14.2 The table below provides a summary of the actual revenue collected/billed for the first six months of the 2011/12 financial year compared to the annual budget:

Revenue by source	2011/12				2012/13	2013/14
	Original Budget	Actual Revenue and Billing 31 Dec. 2011			MTREF	MTREF
		Billing	Actual revenue			
	R'000	R'000	R'000	%	R'000	R'000
Property rates	79 008	46 454		58.8	84 025	93 587
Electricity	173 593	25 600	36 064	35.5	181 232	196 560
Sanitation	17 046	9 501		55.7	18 426	20 412
Water	146 016	64 528		44.2	157 890	174 289
Refuse removal	26 882	12 595		46.9	29 033	31 936
Other service charges	9 655	1 246	1 221	25.6	9 141	8 490
Govt grants - operating	134 299		77 553	57.8	152 230	169 290
Fines/Penalties	12 706		2 089	16.4	12 706	12 807
Interest	13 075	7 437	1 061	65.0	12 260	14 655
Licences and permits	150		11	7.3	158	159
Rental of facilities	9 764		2 110	21.6	9 284	9 058
Other income	39 938	420	1 000	3.6	13 083	16 145
Departmental charges	13 670	637		4.7	15 429	17 682
	675 802	168 418	121 109	42.8	694 897	765 070

15 That upon approval of the adjustment budget by Council, the Chief Financial Officer must ensure that, in terms of Section 22 (b) of the MFMA, the adjustments budget is submitted in both printed and electronic formats to the National Treasury and Provincial Treasury.

AMM

ITEM 14

2010/2012 ANNUAL REPORT: REPORT OF THE MUNICIPAL MANAGER

RESOLVED

**FOR
ATTENTION**

That the report be referred back in order to include the report of the Auditor General as well as the Auditor General's audit findings thereafter to be submitted to the Special Council meeting to be convened.

AMM
CFO
DOD&CS

ITEM 15

FRAMEWORK FOR INSTITUTIONAL PERFORMANCE MANAGEMENT

RESOLVED

**FOR
ATTENTION**

That the report be referred back for additional pages thereafter to be submitted to the Special council meeting to be convened.

COUNCIL

ITEM 16

REVISED SUPPLY CHAIN MANAGEMENT POLICY

RESOLVED

**FOR
ATTENTION**

That the report be referred back for additional pages thereafter to be submitted to the Special council meeting to be convened.

COUNCIL

ITEM 16.1

DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCE AND BENEFITS OF MUNICIPAL COUNCILLORS

RESOLVED

**FOR
ATTENTION**

- 1 That Council considers and condones the actions of the acting Municipal Manager for implementation of upper limits with retrospective effect from 1 July 2011 to date.
- 2 That the Municipal Councillors be remunerated in accordance with the recommended of upper limits of the salaries, allowances and benefits which are applicable as set out in the Schedule with effect from 1 July 2011 in respect of our Municipal Council.

COUNCIL

COUNCIL

ITEM 17

PROPOSALS FOR THE SUSPENSION OF THE STANDING ORDERS

None

THE MEETING ADJOURNED : 16:32

APPROVED : _____

CHAIRPERSON : _____

DATE : _____