



TSWELOPELE
LOCAL MUNICIPALITY
A MUNICIPALITY IN PROGRESS

MINUTES

FOR THE

SPECIAL COUNCIL

MEETING

28 JUNE 2018

TSWELOPELE LOCAL MUNICIPALITY

**MINUTES OF A SPECIAL COUNCIL MEETING HELD ON THURSDAY, 28 JUNE 2018 AT
10:00 IN THE TOWN HALL, BULTFONTEIN**

PRESENT : Cllr MW Raseu [Speaker], Cllr FT Matsholo [Mayor], Cllr MS Baleni, Cllr MS Bonokwane, Cllr BP Esau, Cllr C Horn, Cllr EC Joubert, Cllr MJ Mgcya, Cllr MB Mohlabakoe, Cllr MA Monei, Cllr MH Segopolo, Cllr MM Snyer, Cllr TA Soaisa, Cllr TT Taedi.

OFFICIALS : MRE Mogopodi [Municipal Manager], LN Moletsane [Chief Financial Officer], BP Dikoko [Director Infrastructure Services], I van Aardt [Manager Admin & Support], MN Makwetla [Manager HR & Legal], MG January [Manager Community Development], MT Moepi [Manager Environmental Management], SG Tsoleli [Acting Manager Budget & Revenue].

MINUTES

1. OPENING AND WELCOME

The meeting was opened with prayer.

2. SIGNING OF ATTENDANCE REGISTER

Signed as present.

3. APPLICATION FOR LEAVE OF ABSENCE AND APOLOGIES

With Apology: Cllr DA Njodina.

4. OFFICIAL ANNOUNCEMENTS

♦ None.

5. DECLARATION OF PERSONAL INTEREST IN DISCUSSION POINTS IN TERMS OF RULE 47 [1] OF THE STANDARD RULES AND ORDERS

- ♦ None.

6. MOTIONS OF SYMPATHY & CONGRATULATIONS

- ♦ **Motions of Sympathy**

- ♦ None.

- ♦ **Motions of Congratulations**

- ♦ A motion of congratulations was passed to Cllr Mgciya and Ward 3 for winning the Ward Competition in Lejweleputswa – they were the best performing ward in the Lejweleputswa district.

7. DEPUTATIONS AND INTERVIEWS

- ♦ None.

8. MATTERS FOR DISCUSSION

1 / 06 – 3 / 06.

9. CLOSURE

The meeting adjourned at 12:40.

**CLLR MW RASEU
SPEAKER**

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**COUNCIL MEETING:
28 JUNE 2018**

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2018 / 2019 BUDGET SPEECH BY MAYOR FT MATSHOLO		

1. PURPOSE

The purpose of this item is to table the Reviewed IDP 2018 / 2019 to Council for approval in terms of Section 34 [a] of the Municipal Systems Act, 2000.

2. BACKGROUND

The Municipal Systems Act of 2000, section 34 [a] [i], [ii] requires that the IDP be reviewed annually, taking into account changing needs of communities and the shift priorities of the community in the IDP.

The council of Tswelopele Local Municipality adopted the IDP and Budget Process Plan for reviewing the IDP and budget for 2018 / 2019 financial year in August 2018.

In compiling this IDP 2018 /19 the municipality ensured the compliance with the Revised IDP Framework Methodology, the framework assisted in packaging the IDP document in a standard and uniform manner. The framework also ensured that the municipality develops an IDP that integrates and coordinates all government efforts towards achieving a floor of critical services in the three spheres of government.

The revised IDP framework methodology consisted of the following sections:

- [a] Vision
- [b] Demographic Profile
- [c] Powers and Functions of the municipality
- [d] Process followed to develop the IDP
- [e] Spatial Economy and Development Rationale
- [f] Status quo assessment
- [g] Objectives
- [h] Sector Plans
- [i] Development strategies, programmes and projects
- [j] Alignment with national and provincial objectives and programmes
- [k] Projects and programmes of other spheres.

The revision process as required by legislation is not aimed at replacing or re-compiling the five year IDP, but serves to take into account experience gained thus far and performance trends as set out against their respective five year targets. The municipality also takes into account the changing needs of communities and the shift priorities of the community in the IDP. It is important for the council to take note that the recommendations made by CoGTA and Provincial Treasury in their assessments of the IDP were considered and implemented accordingly to ensure that the IDP is credible.

The Reviewed IDP 2018 / 2019 serves as a tool to re-asses and re-evaluate the Municipality's development priorities, challenges and to accommodate new comments from stakeholders. The review of the IDP will empower the community and give them greater control over their own development. The

implementation of community needs and issues will improve the lives of communities around Tswelopele Local Municipality.

It facilitates the creation of short, medium and long term job opportunities through the implementation of the IDP.

3. STAKEHOLDERS CONSULTED

- ◆ Provincial Department of Corporate Governance and Traditional Affairs;
- ◆ Free State Provincial Treasury;
- ◆ Department of Water and Sanitation;
- ◆ Department of Roads and Transport;
- ◆ Department of Human Settlement; and
- ◆ Department of Premier.

4. LEGAL IMPLICATIONS

- ◆ Local Government: Municipal Systems Act, 2000 [Act 32 of 2000].
- ◆ Municipal Finance Management Act, 2003 [Act 56 of 2003].
- ◆ Municipal Planning and Performance Management Regulations, 2001.

5. STAFF IMPLICATIONS

- ◆ None.

6. FINANCIAL IMPLICATIONS

- ◆ The financial implications for the reviewed IDP and included in the 2018 / 2019 annual budget.

7. RISKS

- ◆ Non-compliance to section 34 (a) of the Municipal Systems Act.
- ◆ Non-alignment between the IDP and the Budget.
- ◆ No direction for service delivery in the municipality.

8. ANNEXURE – SEE CD [MAY COUNCIL MEETING]

- ◆ 2018 / 2019 Reviewed Integrated Development Plan.
- ◆ 2018 / 2019 Financial Plan.

9. RECOMMENDATION

1. That Council approves the 2018 / 2019 Reviewed IDP in terms of section 25 [1] of MSA.
2. That the 2018 / 2019 Reviewed IDP be placed on the municipal website, made available for the public scrutiny and submitted to all relevant provincial and national departments.

3. A municipality must give effect to the approved Integrated Development Plan and conduct its affairs in a manner which is consistent with Integrated Development Plan.

[FOR RESOLUTION]

The Honourable Mayor delivered the 2018 / 2019 budget speech and it was well accepted. The budget speech is attached as an Annexure.

Minutes: Special Council Meeting: 28 June 2018

The Mayor proposed that the matter be resolved as follows and was seconded by Cllr Mgciya.

RESOLVED:

1. That Council approved the 2018 / 2019 Reviewed IDP in terms of section 25 [1] of MSA.
2. That the 2018 / 2019 Reviewed IDP be placed on the municipal website, made available for the public scrutiny and submitted to all relevant provincial and national departments.
3. A municipality must give effect to the approved Integrated Development Plan and conduct its affairs in a manner which is consistent with Integrated Development Plan.

1. PURPOSE

To purpose of this item is to table the revised municipal sector plans for 2018 / 2019 for approval by council and in line with integrated development plan and annual budget processes:

1. Human Settlement Sector Plan
2. Spatial Development Framework
3. Disaster Management Framework
4. Integrated Waste Management Plan
5. Environmental Management Plan
6. Local Economic Development Plan
7. Tourism Sector Plan
8. Fire Management Plan
9. Performance Management Policy
10. Water Service Development Plan

2. BACKGROUND

The above mentioned sector plans form part of the Integrated Development Plan and are reviewed yearly as they contain action plans that outlines the implementation of the plan administratively with the aim of improving service delivery and lives of the community members.

The above mentioned sector plan were placed on the municipal website subsequent to the adoption of the IDP and Budget in March 2018 in line with the provisions of section 21 of Municipal Systems Act of 2000.

Sector plans are critical in a municipality as they ensure that regulations and acts are implemented fully and that community members are provided with adequate information and knowledge on legislation and acts that govern local government. For proper management in order to accelerate service delivery, it is essential that local government have adequate local legislation that is beneficial for the community and better the lives of communities at large.

3. STAKEHOLDERS CONSULTED

- ♦ Community members and stakeholders.

4. LEGAL IMPLICATIONS

- ♦ Local Government: Municipal Systems Act, 2000 [Act 32 of 2000].
- ♦ Spatial Planning and Land Use Management Act, 2003 [Act 16 of 2003].
- ♦ National Housing Code, 2009.
- ♦ National Road Traffic Act, 1996 [Act 93 of 1996].
- ♦ National Land Transport Act, 2009 [Act 5 of 2009].
- ♦ Criminal Procedures Act, 1977 [Act 51 of 1977].
- ♦ Disaster Management Act, 2002 [Act 57 of 2002].

5. STAFF IMPLICATIONS

- ♦ None.

6. FINANCIAL IMPLICATIONS

- ♦ None.

7. RISKS

- ♦ If communities are not informed on issues of municipal legislation, residents might be at risk of misusing resources. It is the responsibility of the Municipality to ensure that communities are informed and empowered.

8. ANNEXURE - SEE CD [MAY COUNCIL MEETING]

1. Human Settlement Sector Plan.
2. Spatial Development Framework.
3. Disaster Management Framework.
4. Integrated Waste Management Plan.
5. Environmental Management Plan.
6. Local Economic Development Plan.
7. Tourism Sector Plan.
8. Fire Management Plan.
9. Performance Management Policy.
10. Water Service Development Plan.

9. RECOMMENDATION

1. That Council approves the above mentioned sector plans which form part of the Municipal Integrated Development Plan 2018 / 19 financial year.
2. That the approved sector plans be made available on the municipal website.

[FOR RESOLUTION]

Minutes: Special Council Meeting: 28 June 2018

Cllr Baleni proposed that the matter be resolved as follows and was seconded by Cllr Eseu.

RESOLVED:

1. That Council approved the above mentioned sector plans which form part of the Municipal Integrated Development Plan 2018 / 19 financial year.
2. That the approved sector plans be made available on the municipal website.

1. PURPOSE

This item is submitted to Council for consideration and approval of the Annual Budget for the 2018 / 2019 financial year as required by the Municipal Finance Management Act, 2003 [Act 56 of 2003].

2. BACKGROUND

In terms of the Municipal Finance Management Act, 2003, Act 56 of 2003, section 24 (2)(a), the annual budget of the Municipality must be approved before the start of the new financial year, section 24 (2)(b), annual budget is approved by the adoption by the council of a resolution referred to in section 17(3)(a)(i) and section 24 (2)(c) annual budget of the Municipality must be approved together with the adoption of resolutions as may be necessary.

It is crucial that the Council approves the annual budget before the start of the financial year [i.e. approval must be done by the latest 30 June 2018]. Failure by Council to approve the annual budget before the beginning of the financial year would mean that the Mayor must report to the member of the executive council responsible for local government in the province, highlighting the reasons why the budget could not be approved.

3. STAKEHOLDERS CONSULTED

- ♦ Free State Provincial Treasury.
- ♦ CoGTA.
- ♦ Community.

4. LEGAL IMPLICATIONS

- ♦ Compliance with Municipal Finance Management, 2003 [Act 56 of 2003].
- ♦ Compliance with Municipal Budget and Reporting Regulations.

5. STAFF IMPLICATIONS

- ♦ None.

6. FINANCIAL IMPLICATIONS

Approval of the item as submitted will constitute the approved annual operating revenue budget, operating expenditure budget, annual capital expenditure budget and funding sources for the annual capital expenditure budget for the 2018 / 19 financial year.

The following are the proposed tariff increases for 2018 / 2019 financial years:

- ◆ Property Rates : 6.84 % for all properties
- ◆ Water : 6.84 %
- ◆ Refuse : 6.84 %
- ◆ Sanitation : 6.84 %
- ◆ Electricity : 10.00% applied for at NERSA

7. RISKS

- ◆ The municipality maybe unable to render services to the community due to none availability of financial resources if the budget is not approved.
- ◆ Section 139 of the Constitution may be imposed on the Council of the Municipality.

8. ANNEXURE

- ◆ Budget with table A1 – A10 in terms of the Municipal Budget and Reporting Regulations.
- ◆ Budget Related Policies [**SEE CD – MAY COUNCIL MEETING**]
- ◆ 2018 / 2019 Tariff List.
- ◆ Quality certificate by the Municipal Manager.

9. RECOMMENDATION

1. That the annual budget of the Municipality for the financial year 2018 / 2019, 2019 / 2020 and 2020 / 2021 be approved as set out in:
 - [a] Table A1: Budgeted Summary.
 - [b] Table A2: Budgeted financial performance [revenue & expenditure by standard classification].
 - [c] Table A3: Budgeted financial performance [revenue & expenditure municipal vote].
 - [d] Table A4: Budgeted Financial performance [revenue & expenditure].
 - [e] Table A5: Budgeted capital Expenditure by vote, standard classification and funding.
 - [f] Table A6: Budgeted financial position.
 - [g] Table A7: Budgeted cash flow.
 - [h] Table A8: Cash backed reserves / accumulated surplus reconciliation.
 - [i] Table A9: Asset Management.
 - [j] Table A10: Basic Services Delivery Measurement.
2. That the operating budget as set out in Table A1 – A4 and Capital budget as set out in Table A5 be implemented with effect from 1 July 2018.
3. That property rates tariffs be approved in terms of section 14 of Municipal Property Rates Act, 2004 [Act 6 of 2004].
4. That tariffs for services charges as reflected in the tariff list be approved and implemented with effect from 1 July 2018.
5. That Council implements the electricity tariff as approved by NERSA with effect from 1 July 2018.
6. That the following budget related policies be approved and implemented with effect from 1 July 2018:

- (a) Budget policy
- (b) Virement policy
- (c) Funding and reserves policy
- (d) Banking / cash and investment policy
- (e) Credit Control and debt collection policy
- (f) Indigent support policy
- (g) Bad debt write-off policy
- (h) Property rates policy
- (i) Tariffs policy
- (j) Supply chain management policy
- (k) Asset management policy
- (l) Deposit policy
- (m) Customer care policy
- (n) SCM Policy on infrastructure assets
- (o) Petty cash management policy

7. That effective from 1 July 2018, Phahameng and Tikwana must be billed on consumption based tariffs and that the flat rate will only be charged on properties that do not have water meters.

[FOR RESOLUTION]

The Honourable Mayor delivered the 2018 / 2019 budget speech and it was well accepted. The budget speech is attached as an Annexure.

NOTE: The EFF requested to be noted that they reject the budget as it was not realistic.

Minutes: Special Council Meeting: 28 June 2018

The Mayor proposed that the matter be resolved as follows and was seconded by Cllr Mgciya.

RESOLVED:

1. That the annual budget of the Municipality for the financial year 2018 / 2019, 2019 / 2020 and 2020 / 2021 was approved as set out in:
- [a] Table A1: Budgeted Summary.
 - [b] Table A2: Budgeted financial performance [revenue & expenditure by standard classification].
 - [c] Table A3: Budgeted financial performance [revenue & expenditure municipal vote].
 - [d] Table A4: Budgeted Financial performance [revenue & expenditure].
 - [e] Table A5: Budgeted capital Expenditure by vote, standard classification and funding.
 - [f] Table A6: Budgeted financial position.
 - [g] Table A7: Budgeted cash flow.

[h] Table A8: Cash backed reserves / accumulated surplus reconciliation.

[i] Table A9: Asset Management.

[j] Table A10: Basic Services Delivery Measurement.

2. That the operating budget as set out in Table A1 – A4 and Capital budget as set out in Table A5 be implemented with effect from 1 July 2018.
3. That property rates tariffs were approved in terms of section 14 of Municipal Property Rates Act, 2004 [Act 6 of 2004].
4. That tariffs for services charges as reflected in the tariff list was approved and implemented with effect from 1 July 2018.
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6. That the following budget related policies were approved and implemented with effect from 1 July 2018:
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 - (f) Indigent support policy
 - (g) Bad debt write-off policy
 - (h) Property rates policy
 - (i) Tariffs policy
 - (j) Supply chain management policy
 - (k) Asset management policy
 - (l) Deposit policy
 - (m) Customer care policy
 - (n) SCM Policy on infrastructure assets
 - (o) Petty cash management policy
7. That effective from 1 July 2018, Phahameng and Tikwana must be billed on consumption based tariffs and that the flat rate will only be charged on properties that do not have water meters.