



BA-PHALABORWA MUNICIPALITY

MINUTES OF THE SPECIAL COUNCIL MEETING WHICH WAS HELD ON THE 28TH FEBRUARY 2018 AT 14H00 IN THE COUNCIL CHAMBER

ATTENDANCE

A. COUNCILLORS

Cllr MM Malatji - Speaker
Cllr PJ Shayi - Mayor
Cllr E. Hlungwani
Cllr SL Mohlala
Cllr MM Malesa
Cllr T Nkuna
Cllr MS Magomane
Cllr SR De Beer
Cllr NJ Mampuru
Cllr PK Mashego
Cllr LM Matlala
Cllr MJ Valoyi
Cllr ST Mkansi
Cllr KA Peta
Cllr TC Malatji
Cllr VM Rapatsa
Cllr SM Shayi
Cllr KP Mhlarhi
Cllr EA Mokoena-Mashele
Cllr ME Mokgalaka
Cllr PS Dikgale
Cllr DR Bayana
Cllr B. Ramothwala
Cllr RJ Mphogo
Cllr JA Williamson
Cllr SK Shayi

B. OFFICIALS



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Mr H. Zungu	-	Acting Municipal Manager
Mr TJ Mogano	-	Chief Financial Officer
Mr HP Maluleke	-	Senior Manager: Planning & Development
Mr CJ Lourens	-	Acting Senior Manager: Technical Services
Ms L. Turbridge	-	Acting Senior Manager: Corporate Services
Ms MM Makhongela	-	Chief Executive Internal Audit
Mr KKL Pilusa	-	Manager: Office of the MM
Mr JN Mahesu	-	Manager: Communications
Mr SE Mthombeni	-	Manager: Committees
Ms JJ Visser	-	Scribe

1. OPENING & WELCOME

The Speaker, Cllr MM Malatji welcomed the Mayor, Chief Whip, Executive Committee members, Ward Councillors, PR Councillors, Officials led by the Municipal Manager to the Special Council meeting.

The Honourable Speaker, Cllr MM Malatji remarked as follows:

As Ba-Phalaborwa Municipality she condemned the brutal killing of a 33 year old woman in Matiko Xikaya by her two brothers. As women, we remain unapologetic in fighting violence against woman. We appeal to our justice system to act against the perpetrators.

She further remarked that because of the good rain we have received in the Ba-Phalaborwa area Technical Services and Community Services must attend to the cleaning of parks and patching of potholes.

She declared the meeting officially opened.

2. SIGNING OF THE ATTENDANCE REGISTER

All members present signed the attendance register.

3. APPLICATIONS FOR LEAVE OF ABSENCE

Councillors



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Cllr R. Makasela
Cllr Z. Ndhlovu
Cllr AN Mmola
Cllr NB Maake
Cllr TC Malatji
Cllr MMA Mathebula
Cllr NA Sono
Cllr GH Lamola

Officials

Ms MM Makhongela - Chief Executive Internal Audit
Mr TMT Sekwari - Manager: Risk Management

4. COMMENTS BY THE MUNICIPAL MANAGER

None.

5. NEW MATTERS

105/18 MAYOR'S SPEECH FOR TABLING OF THE 2017/18 ADJUSTMENT BUDGET

Honourable Speaker, Cllr. Malatji MM; Chief Whip of Council, Cllr. Hlungwane E; Members of the Executive Committee; Chairperson of MPAC, Cllr. Pilusa K; Honourable Councillors; Traditional Leaders and Representatives of Tribal Authorities; Municipal Manager and the entire Administrative Staff; Ladies and Gentlemen,

Allow me to thank the Honourable Madam Speaker for the opportunity afforded to table this adjustment budget for the financial year 2017/18.

Honourable Speaker, Section 28 of the Municipal Finance Management Act, 2003 (MFMA) allows a municipality to revise its approved budget



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through an adjustment budget. An adjustment budget amongst other things:-

- Must adjust the revenue and expenditure estimates downwards or upwards if there is material under/ over collection of revenue during the current year;
- May provide for any other expenditure within a prescribed framework;
- May correct errors in the annual budget;
- May, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the Mayor of the municipality;

Honourable Speaker, this adjustment budget is based on the consultative done with the various departments, taking into account expenditure trends for the past six months of the financial year. The adjustment budget prioritised service delivery programmes in line with current challenges we are facing as a municipality such as electricity infrastructure and dilapidated roads infrastructure and inability to collect the revenue in townships around Ba-Phalaborwa Municipality.

The following decisions were made to determine how the approved budget can be adjusted downwards or upwards but still taking into account service delivery issues:

Honourable speaker the total revenue budget is adjusted upwards by R782 thousand from R522.9 million to R523.7 million for adjustment budget 2017/18, which is 0.15% of the total approved Budget.

The further breakdown of the municipal revenue per service is illustrated as follows:

- The interest on outstanding debtors has been adjusted downwards by R500 thousand.



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- R200 thousand has been transferred from transfers recognised-operational to transfers recognised-capital (MIG).
- The R782 thousand has been added as approved rollover from unspent MIG funds
- Interest earned on call accounts R1 million

Honourable Speaker allow me also to outline amongst other breakdown projections of the Municipal Revenue per service which remain unadjusted as per adjusted budget 2017/18 namely:

- The Municipal Assessment rates of R 113.6 million,
- Service charges on electricity R124.1 million,
- Service charges on refuse removal R18.1 million,
- Rental facilities R500 thousand,
- Traffic fines R451 thousand,
- Licence permits R11.9 million and Agency fees R2.7 million
- And other revenue R1.7 million

Total Operating expenditure budget remained unchanged. Total budgeted annual operating Expenditure remained unchanged at R506.4 million for 2017/18 financial year.

The decrease or increase on the expenditure by type comprise of the following:

- Employee related has been adjusted downwards by R421 thousand from original budget,
- Remuneration of councillors not adjusted.
- Debt impairment not adjusted.
- Depreciation has not been adjusted.
- Bulk purchases was not adjusted,
- Finance charges remained unchanged
- Contracted services reduced by R1.2 million,
- And other expenditure increased by R1.7million.



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Honourable Speaker, the capital budget has increased from R63.1 million to R64.1 million. The increase on the total capital consist of the Projects funded by Municipal Infrastructure Grants (MIG) which are:

- Mashishimale multi - sport complex downwards adjustment of R531 thousands
- Selwane sport complex upward adjustments of R702 thousands
- Tambo Street phase paving upward adjustments of R705 thousands.
- Benfarm Street Paving reduced by R1.4 million
- Topville to Score Street Paving upward adjustments of R492.3 thousands
- Tshelang Gape upwards adjustment of R1 million.

Projects funded internally

- Upgrading of single phase network in ext1 increased by R2.7 million to R4.2 million
- Upgrading of Selati substation downwards by R2.3 to R1.7 million
- Installation of electrical network NRS48 downwards by R400 thousands to R350 thousands

The following amongst others are internal funded capital which were not adjusted and will remain with the Original approved Budget.

- Revenue recovery installation of prepaid
- Upgrading of ICT Infrastructure
- Furniture and Equipment
- Revamp of chamber & mayoral Parlour
- Ride-On-Mowers
- Push Mowers
- Two traffic vehicle fully fitted
- Establishment of 24 HR call centre



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- Purchase of refuse truck

Electrification Grants

The electrification of Buffer Zone has remained unchanged at R9 million

Honourable Speaker, the municipality will continue with its revenue enhancement strategies and implementation of such strategies to maximise the collection of debt owed by consumers.

106/18 ADJUSTMENT BUDGET 2017/18 MTREF (MAYOR)

RESOLUTION

1. Adjustment Budget Resolutions

1.1. Adjustment Budget for 2017/18 Medium Term Revenue and Expenditure Framework

Council resolved that the adjustment and MTREF and its supporting tables of the Ba-Phalaborwa Municipality (LIM334) for the financial year 2017/18; **BE APPROVED** as set out following tables:

Table B1	Adjustment budget summary
Table B2	Adjustment budget financial performance – Standard Classification
Table B3	Adjustment budget financial performance – Revenue and Expenditure by Municipal Vote



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Table B4	Adjustment budget financial performance – Revenue and Expenditure
Table B5	Adjustment budget Capital Expenditure– Vote
Table B6	Adjustment Budget Financial Position
Table B7	Adjustment Budget Cash Flows
Table B8	Cash backed reserves/accumulated surplus reconciliation
Table B9	Asset Management
Table B10	Basic Service Delivery Measures

2.2 Adjustment permitted in terms of Section 28 (2) of MFMA

Council resolved that the total budgeted annual **Revenue** adjusted upwards from **R522.9 million** to **R523.7 million BE APPROVED.**

Council resolved the total budgeted annual operating **Expenditure** remained unchanged **R506.4 million** to **BE APPROVED.**

Council resolved that the total budgeted Capital expenditure **increased** from **R63.1 million** to **R64.1 million BE APPROVED.**

2.3 Adjustment budget supporting tables for 2017/18 MTREF

Council resolved that the adjustment budget of the Ba-Phalaborwa Municipality for the financial year 2017/18, and indicative figures for two outer years 2018/19 and 2019/20 **ARE APPROVED** as set out in the following tables

Table SB1	Budgeted financial position
Table SB2	Supporting details to financial position



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Table SB3	Adjustment – SDBIP– Performance Objectives
Table SB4	Adjustment budget – performance Indicators and benchmarks
Table SB5	Adjustment budget – Social, Economic, Demographic statistics and Assumptions
Table SB6	Adjustment budget – Funding Measurement
Table SB7	Adjustment budget – Transfers and Grant Receipts
Table SB8	Adjustment budget – Expenditure on Transfers and Grant Programme
Table SB9	Adjustment budget – Reconciliation of transfers, Grant Receipts and Unspent Funds
Table SB10	Adjustment budget – Transfers and Grant by the Municipality
Table SB11	Adjustment budget – Councillor and Staff Benefits
Table SB12	Adjustment budget – Monthly Revenue and Expenditure (Municipal Votes)



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Table SB13	Adjustment budget – Monthly Revenue And Expenditure (Standard Classification)
Table SB14	Adjustment budget – Monthly Revenue and Expenditure
Table SB15	Adjustment budget – Monthly Cash flows
Table SB16	Adjustment budget – Monthly Expenditure (Municipal Votes)
Table SB17	Adjustment budget – Monthly Capital expenditure (Standard Classification)
Table SB18a	Adjustment budget – Capital Expenditure on New Assets (Assets Class)
Table SB18b	Adjustment budget – Capital Assets on Renewal of existing assets (Assets Class)
Table SB18c	Adjustment budget – Expenditure on Repairs and Maintenance (Assets Class)
Table SB19	Adjustment budget –List of Capital programme or projects affected by Adjustment

2.4. Revised Service Delivery and Budget Implementation Plan (SDBIP)



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Council note that the revised SDBIP will be tabled after the adjustment budget has been approved in line with MFMA section 54(1) (c).

2.5. Budget Related Policies

Council resolved that the following budget related policies remain unchanged as approved by council

1. Property Rates Policy
2. Tariff Policy
3. Supply chain management policy
4. Credit Control Policy
5. Debt Collection Policy
6. Indigent Household Consumer Subsidy policy
7. Virement policy
8. Inventory Management Policy
9. Budget policy
10. Petty Cash policy
11. Asset Management Policy
12. Bad Debts Write Off
13. Deposit Policy
14. Cash management and Investment Policy
15. Fleet management Policy



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16. Electricity by-laws
17. Land use by-law
18. Electricity supply by-laws
19. Subsistence and travelling policy
20. Petty Cash Policy
21. Customer care Policy and Service Standards

6. ANNOUNCEMENT

None.

7. CLOSURE

The meeting adjourned at 15h00.

CHAIRPERSON