

**EXTRACT FROM THE MINUTES OF SPECIAL COUNCIL MEETING OF MASILONYANA LOCAL MUNICIPALITY HELD ON THE 31<sup>st</sup> MARCH 2022 IN TOWN HALL – WINBURG AT 15h00**

<b>IN ATTENDANCE</b>	
<b>Cllr SN Makata</b>	<b>Speaker</b>
<b>Cllr DE Modise</b>	<b>Mayor</b>
<b>Cllr MS Letsie</b>	<b>Councillor</b>
<b>Cllr MTW Moroane</b>	<b>Councillor</b>
<b>Cllr PS Tlahadi</b>	<b>Councillor</b>
<b>Cllr TC Tladi</b>	<b>Councillor</b>
<b>Cllr MZ Likoebe</b>	<b>Councillor</b>
<b>Cllr NH Kototsa</b>	<b>Councillor</b>
<b>Cllr B Phehlane</b>	<b>Councillor</b>
<b>Cllr DP Xhalabile</b>	<b>Councillor</b>
<b>Cllr MG Fosi</b>	<b>Councillor</b>
<b>Cllr BG Rossouw</b>	<b>Councillor</b>
<b>Cllr M Visser</b>	<b>Councillor</b>
<b>Cllr S Brown</b>	<b>Councillor</b>
<b>Cllr KE Mokalolise</b>	<b>Councillor</b>
<b>Cllr TB Molahloe</b>	<b>Councillor</b>
<b>Cllr SP Mabesa</b>	<b>Councillor</b>
<b>Cllr WA Potgieter</b>	<b>Councillor</b>
<b>PS Tsekedi</b>	<b>Municipal manager</b>
<b>MM Sello</b>	<b>Director: Social &amp; Community services</b>
<b>L. Mokoteli</b>	<b>Director: Technical Services</b>
<b>MK Khoabane</b>	<b>Chief Finance Officer</b>
<b>Z Ntjwabule</b>	<b>Manager: Office of the Mayor</b>
<b>TA Zingitwa</b>	<b>Manager: Office of the Speaker</b>
<b>M Mahula</b>	<b>Senior Administration Officer</b>

NO	ITEMS	BACKGROUND	DISCUSSIONS	RESOLUTIONS
13	13.1.1 Draft IDP & Draft Budget and Medium term Revenue and Expenditure framework for 2022 – 2023	<p>The Municipal Systems Act (MSA) establishes an enabling framework for core local government processes such as planning, performance management, resource mobilization and organizational change. In terms of this act, all categories of municipalities are expected to undertake developmentally oriented planning to achieve objects of local government set out in Section 152 of the Constitution.</p> <p>Section 25 (1) of the MSA specifically require a municipal council to within a prescribed period after the start of the electoral term adopt a single, inclusive, and strategic plan for the development of the municipality. Furthermore, the Act requires Integrated Development Plans to “link integrate and coordinate plans” as well as “consider proposals for the development of the municipality”.</p> <p>The centrality of the municipal Integrated Development Plans is articulated in section 35 which describes Integrated Development Plans as “the principal strategies planning instrument which guide and informs all planning and development, and all decisions with regards to</p>	<p><b>Challenges</b> Minimum participation of Communities due to the Covid 19 pandemic.</p> <p><b>Narrative on draft budget:</b></p> <p>The municipality’s total operating expenditure and capital budget is estimated to be R569 million. Operating expenditure has been projected at R515 million. The Municipality’s capital expenditure amounts to R52.4 million that the 80% is funded from grants. This is supported with a revenue base of R 351 million from service charges, property rates and operational grants. The budget has a deficit R164 million, and non-cash items that constitutes a big chunk of the non-cash expenditure amounting to R174 million, this is based on the most recent financial statement submitted to AG</p>	<p><b>That Council adopt the draft:</b></p> <p>(a) <b>2022/2023 IDP and MTREF Budget,</b></p> <p>(b) <b>Draft tariffs for 2022/20223</b></p> <p>(c) <b>That the Council of Masilonyana Local Municipality takes note the following 2022/23 revised budget related policies</b></p> <ul style="list-style-type: none"> <li>• <b><i>Municipal Property rates policy</i></b></li> <li>• <b><i>Budget policy</i></b></li> <li>• <b><i>Tariff policy</i></b></li> <li>• <b><i>Indigent policy</i></b></li> <li>• <b><i>Fixed Asset management policy</i></b></li> <li>• <b><i>Cash management &amp; investment policy</i></b></li> <li>• <b><i>Credit control &amp; Debt Collection policy</i></b></li> <li>• <b><i>Supply Chain Management policy</i></b></li> <li>• <b><i>Unauthorized, Irregular Fruitless and Wasteful policy</i></b></li> </ul>

		<p>planning, management and development, in the municipality”.</p> <p>To present the progress report on IDP Draft review 2022 / 2023 (2022/2027), The planned public participation schedule of meetings was conducted on physical public meetings due to the provisions of Regulation 69 (4) of the Disaster Management Act, 2002: Amendment of Regulations issued in terms of section 27(2) [dated 30 December 2021] in terms of which social, political and cultural gatherings are permitted but limited to 1000 persons or less for indoor venues and 2000 or less for outdoor venues, and not more than 50% of the capacity in respect of small venues. However, outdoor meetings were not held due to unpredictable bad weather and heavy rains in the country.</p> <p><i>Section 53 of the Municipal Finance Management Act 2003 (No. 56 of 2003) requires the Executive Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations states that the Executive Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Municipal Finance Management Act; 2003(No. 56 of 2003)</i></p>	<p>The municipality has a history of financial constraints due to low collection rate but is currently implementing the electricity prepaid smart meters to enhance the revenue.</p> <p>All tariffs will increase by 4.8% as guided by National Treasury MFMA Circular 108, however electricity tariffs will temporarily increase by 4.8% until NERSA issues an increase guideline and approves the tariffs for the new year.</p> <p>Commonage tariff are aligned to the Provincial Commonage Policy, and Rental of Land tariff are aligned to the market value.</p>	<ul style="list-style-type: none"> <li>• <b><i>Bad debt write-off policy</i></b></li> <li>• <b><i>Policy governing payments of creditors, councilors and officials</i></b></li> <li>• <b><i>Subsistence and Travel policy</i></b></li> <li>• <b><i>Disclosure Related parties’ policies</i></b></li> <li>• <b><i>Events after reporting date policy and procedure manual</i></b></li> <li>• <b><i>Virements Policy</i></b></li> </ul> <p><b>That a workshop and strategic planning session be held so that Councillors can examine the Draft IDP, Draft Budget, and Medium-Term Revenue and Expenditure Framework for 2022–2023, as well as the approved municipal by laws and draft HR policies, in detail.</b></p> <p><b>That the organizational structure be scrutinized, costed, and included in the final Draft Budget and Medium-Term Revenue and Expenditure Framework for 2022-2023, which will be adopted before the start of the financial year in 2022-2023.</b></p> <p><b>That the Audit Committee be invited to the next Council meeting, Workshop, and strategic planning session.</b></p>
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			<p>Office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget.</p> <p><b>Legislation compliance status</b></p> <p>Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:</p> <p><b>In year reporting</b></p> <p>Reporting to National Treasury in electronic format will fully be complied with on a monthly basis. <u>mSCOA data strings</u> reporting to the Mayor (within 10 working days) is fully complied with.</p> <p><b>Internship programme</b></p> <p>Currently the Municipality have 4 interns who resumed duties in July 2018 and 4 interns that were appointed in June 2021, we have also advertised for 3 more interns that will appointed before the end April 2021.</p>	
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			<p><b>Audit Committee</b></p> <p>Theirs is an audit committee in place.</p> <p><b>Service Delivery and Implementation Plan</b></p> <p>A detailed SDBIP document is in place and it is directly aligned and informed by the 2019/2020 MTREF budget and Integrated Development Plan. The 2022/23 SDBIP will also be drafted and aligned to the 2022/23 MTREF. This document will be approved by the Mayor 28 days after the budget is approval by council.</p>	
<p><b>Certified to be a true reflection of the original minutes</b></p> <p>_____  <b>Cllr SN Makata</b>  <b>Speaker</b></p>				