



***CONFIDENTIAL***

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**AGENDA**  
for a  
**SPECIAL MEETING**

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**MANGAUNG  
METROPOLITAN  
MUNICIPAL COUNCIL**

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**THURSDAY  
MAY 28, 2020  
AT 10:00**

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**VIRTUAL STREAMING**

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**MANGAUNG  
METROPOLITAN  
MUNICIPALITY**

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**MANGAUNG METROPOLITAN MUNICIPALITY**

**Bram Fischer Building  
BLOEMFONTEIN**

**MAY 14, 2020**

**ALL MEMBERS OF THE METROPOLITAN MUNICIPAL COUNCIL OF THE  
MANGAUNG METROPOLITAN MUNICIPALITY**

Ladies and gentlemen

Notice is hereby given in terms of the provisions of  
Section 29 of the Local Government:  
Municipal Structures Act, 1998 (Act No 117 of 1998) and  
Rule 5.1 of the Council's Standing Rules and Orders read together with Section 6.7.3 of the  
Amendment of of Directions issued in terms of Section 27(2) of the Disaster Management Act,  
57 of 2002 under Government Gazette Number 43291 of 7 May 2020, that

**SPECIAL MEETING OF THE  
MANGAUNG METROPOLITAN MUNICIPAL COUNCIL**

**will be held**

**VIRTUALLY**

**On**

**THURSDAY, MAY 28, 2020**

**at 10:00**

To consider the items as set out in this agenda.

  
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**CITY MANAGER  
ADVOCATE TB MEA**

  
.....  
**SPEAKER  
COUNCILLOR MA SIYONZANA**

**Note by Secretariat**

1. **Leave Register:** In order to streamline administrative processes Councillors are friendly requested to submit applications for leave of absence in the appropriate register kept for this purpose. Members are requested to fill in this register 12 hours before the commencement of the meeting (Rule 22.2) (Yellow Form).
2. **Apologies during the course of the Council meeting:** Councillors are friendly requested to complete in full and submit the relevant apology form for this purpose (Yellow Form).
3. **Code of Conduct:** Councillors are reminded of item 3, Schedule 1 of the Code of Conduct for Councillors which reads as follows, namely:

Attendance at Meetings: A councillor must attend each meeting of the municipal council and of a committee of which that councillor is a member, except when:

- (a) leave of absence is granted in terms of an applicable law or as determined by the rules and orders of the council or
- (b) that councillor is required in terms of this Code to withdraw from the meeting.

4. **Meeting rules:**

- i. Cellular phones **must be in silent mode** and **speaking on a cellular phone during the meeting is prohibited;** (Rule 50.2a)
- ii. A Councillor who speaks must **confine his or her speech strictly to the matter under discussion;** (Rule 31)
- iii. Unless expressly otherwise determined, a Councillor **may speak only once on a matter;** (Rule 32)
- iv. No speech shall exceed **five (5) minutes** in length without the consent of the Speaker. (Rule 34.1)
- v. Council members are reminded to uphold high level of good conduct during Council proceedings (No disruptions, no interruptions, no howling, no swearing to other Council members, less movement in the Chamber, no abuse of the PA system).

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**6**  
**AGENDA**

**(VIRTUAL STREAMING)**

**45.**  
**OPENING**

**46.**  
**NOTICE OF THE MEETING**

**47.**  
**APPLICATIONS FOR LEAVE OF ABSENCE**

**48.**  
**ACCEPTANCE OF THE AGENDA**

**49.**  
**ANNOUNCEMENTS**

**50.1****DRAFT REVIEWED IDP AND BUDGET 2020/21****FOR NOTING****50.2****MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): BUDGET AND PERFORMANCE ASSESSMENT REPORT IN TERMS OF THE MFMA, SECTION 52(D) FOR THE QUARTER ENDED MARCH 2020 (THIRD QUARTER)**

**Annexure:** Report dated April 30, 2020 recommended by the Chief Financial Officer. (Page 1 – 64)

**RECOMEMNDATION** that in compliance with Section 52(d) of the MFMA

1. The Accounting Officer submits to the Executive Mayor this statement reflecting the implementation of the budget and the financial state of affairs of the Municipality for the quarter ending 31 March 2020 and
2. The Executive Mayor of the Municipality must, within 30 days of the end of each quarter, submit a report to the Council on the implementation of the budget and the financial state of affairs of the Municipality and
3. In order to comply with Section 71(4) of the MFMA, the Accounting Officer ensure that this statement be submitted to National Treasury and the Provincial Treasury, in both a signed document format and in electronic format.

**50.3****REPORT ON THE IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY FOR THE QUARTER ENDING MARCH 2020 (THIRD QUARTER)**

**Annexure:** Report dated March 31, 2020 recommended by the Chief Financial Officer, approved by the City Manager and ratified by the Exco Representative. (Page 1 – 21)

**RECOMEMNDATION** that the Council take note of the Supply Chain Management report for the third quarter ending March 2020.

**50.4**

**2019/2020 AUDIT ACTION PLAN - MANGAUNG METROPOLITAN MUNICIPALITY**

**Annexure:** Report dated March 16, 2020 received from the Chief Financial Officer, recommended by the City Manager and the Exco Representative.

**RECOMMENDATION**

1. That Council takes note of the Audit Action Plans of the City and
2. That quarterly progress reports on the implementation of the Audit Action Plans be prepared and submitted to Council for noting.

**50.5**

**SUBMISSION OF ADDITIONAL COMPONENTS OF THE CONSOLIDATED ANNUAL REPORT OF THE MANGAUNG METRO MUNICIPALITY FOR 2018/19 FINANCIAL YEAR.**

**Annexure:** Report dated March 10, 2020 received from the City Manager and approved by the Executive Mayor.

**NOTE BY SECRETARIAT:** Annexure on Council agenda of 18 March 2020 (item 40.4)

**RECOMMENDATION**

It is recommended that Mangaung Metropolitan Municipality Council notes:

- a) The Mangaung and Centlec's stand-alone annual reports;
- b) The Mangaung and Centlec's stand-alone audit reports;
- c) The Mangaung and Centlec's audit action plan;
- d) The above components will be incorporated in the consolidated annual report as noted by Council on 28 February 2020; and
- e) Refer the above components of the consolidated Annual Report to the Municipal Public Accounts Committee that will process the said report and develop the oversight report and thereon advise Council accordingly.



## 50.6

**WRAP AROUND PROJECT: APPLICATION FOR A CONSENT TO EFFECT FURTHER IMPROVEMENTS, ADDITIONS OR ALTERATIONS TO THE LEASED PREMISES AS WELL AS THE AMENDMENT OF A CONTRACT SIGNED BETWEEN THE MANGAUNG METROPOLITAN MUNICIPALITY AND THE FREE STATE RUGBY UNION IN RESPECT OF PORTION 2 OF ERF 26408, WILLOWS, BLOEMFONTEIN (FREE STATE TOYOTA RUGBY STADIUM)**

**Annexure: Report dated July 3, 2019 received from the HOD: Human Settlement and the City Manager and approved by the Executive Mayor. (Pages 1 – 68)**

**NOTE BY SECRETARIAT: Annexure on Council agenda of 18 March 2020 (item 40.1)**

**RECOMMENDATION**

- (a) That the Mangaung Metropolitan Municipal Council consider the proposal submitted by the Free State Rugby Union to be granted a consent to evoke Clause 10 of the lease agreement entered between Mangaung Metropolitan Municipality and the Free State Rugby Union 1 December 2001 to effect further improvements, additions or alterations to the leased property and further accepts the proposed amendment of Clause 3.2 and 6 of the lease agreement respectively in terms of which the Free State Rugby Union will be granted irrevocable option to extend the lease agreement for a further period of thirty (30) years after the expiry date with a further irrevocable option to renew for a further period of thirty (30) years and include within the leased property a four star hotel with conference facilities and office block, provided that a public participation is conducted in terms of Section 116(3) of the Municipal Finance Management Act 56 of 2003;
- (b) That the rental be set at an amount of R176 000.00 (One Hundred and Seventy-Six Thousand) plus VAT per month for the first year from the date that appears on the certificate of occupation issued by the relevant authority;
- (c) That the said rental shall at least six months prior to its anniversary (a year from the date of the issuing of occupation certificate) be reviewed by considering the amount that could be levied for rates and taxes if the property was privately owned;
- (d) That the rental payable be an amount of R176 000.00 (One Hundred and Seventy-Six Thousand) plus VAT per month or the amount that could be levied for rates and taxes, whichever is greater;
- (e) That the final rental amount shall escalate at a rate of 8% per annum on the anniversary date of the lease agreement;
- (f) That the rental for the leased premises without the proposed development (The Rugby Stadium) shall remain at R500 000.00(Five Hundred Thousand Rand) the same as in the current contract;
- (g) That Clause 3.2 of the lease agreement be amended in terms of which Free State Rugby Union shall be granted irrevocable option to renew the lease agreement for a further period of thirty (30) years;

- (h) That Clause 6 of the lease agreement be amended to include within the leased property, a hotel with conference facilities and office block;
- (i) That Section 21 and 21A of the Local Government: Municipal Systems Act 32 of 2000 be applied when soliciting representations from the public on the intended amendment of the lease agreement;
- (j) That notwithstanding the date of approval, the amendment be effective from the first day of the month following the respective signing dates of the addendum by the Lessee and the Lessor, the last date of signature being the signing date for this purpose;
- (k) That the Lessee shall not cede, assign, delegate its right or obligations under this lease without the consent of the Lessor represented by the accounting officer, a consent which shall not be unreasonably withheld;
- (l) That the lease property shall at no point serve as security for the Lessee's obligations and that the Lessee shall not have a right to mortgage or encumber the lease property or any part thereof;
- (m) That maintenance plan for all the improvements on the leased property shall be drafted and agreed upon between the Lessor and Lessee and that the Lessee shall adhere to maintenance requirements per the approved maintenance plan and that the consequences for failure to adhere thereto must be incorporated in the said plan;
- (n) That the Lessee shall be responsible for taking out adequate insurance policy in favour of the leased property and be responsible for all the premiums;
- (o) That the addendum be annexed to the existing lease agreement be registered against Portion 2 of erf 26408, Willows, Bloemfontein and that the notarial registration of the amended lease agreement be for the sole account of the Lessee and
- (p) That all improvements shall become the property of Mangaung Metropolitan Municipality by means of *accession* and that control thereof shall pass to the Mangaung Metropolitan Municipality on termination of the lease agreement free of charge.

**50.7**

**APPROVAL OF INDIGENT ACCOUNTS FOR INCLUSION IN THE 2019/22 INDIGENT REGISTER**

**Annexure:** Report dated January 22, 2020 received from the Chief Financial Officer, recommended by the City Manager, approved by the Executive Mayor and ratified by Exco representative.

**NOTE BY SECRETARIAT:** Annexure on Council agenda of 5 March 2020 (item 28.2)

**RECOMMENDATION**

1. That the Council approves the **21 007** applications for inclusion in the 2019/2022 indigent register and are provided with free basic services as stipulated in the Indigent Policy.
2. That the Council approves the **8 317** applications for inclusion in the 2019/2022 indigent register and are provided with free 50kWh of electricity monthly.
3. That Council write off the **R250 358 067.38** owed by **29 324** indigents.
4. That the **64** housing rental be provided with 50kWh of electricity monthly.

**50.8**

**TERMS OF REFERENCE OF THE PROVINCIAL INTERVENTION TEAM**

**Annexure:** Report dated May 25, 2020 received from the City Manager and the Exco representative and approved by the Executive Mayor. (Pages 1 – 2 and 1 – 13)

**RECOMMENDATION**

It is hereby recommended that

- (a) Council approves the Terms of Reference for the Provincial Intervention subject to receipt of the opinion from the State Law Advisors on the legality of some of the provisions.
- (b) Council approves the appointment of own lawyers to provide a legal opinion on the Terms of Reference.
- (c) A report on both the opinions from State Law Advisors and lawyers is submitted to Council again once received.

51	REPORTS OF PROVINCIAL EXECUTIVE COUNCIL REPRESENTATIVE
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NONE

52	REPORTS OF THE SPEAKER
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NONE

53	REPORTS FROM MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
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NONE

54	REPORTS TO BE DEALT WITH IN COMMITTEE
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NONE

55	CLOSING OF THE SPECIAL COUNCIL MEETING
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MS R MAMATELA  
SECRETARIAT UNIT  
COMMITTEE SERVICES  
CORPORATE SERVICES DEPARTMENT