

CONFIDENTIAL

**MINUTES
OF A
SPECIAL MEETING
(BUDGET MEETING 2022/23)**

**MANGAUNG
METROPOLITAN
MUNICIPAL COUNCIL**

**CITY HALL
BLOEMFONTEIN**

**FRIDAY
JUNE 3, 2022
AT 16:00 (initially scheduled for
Tuesday, 31 May 2022 at 10h00)**

**MANGAUNG
METROPOLITAN
MUNICIPALITY**



**MINUTES OF A
SPECIAL MEETING (BUDGET MEETING 2022/23)
of the
MANGAUNG METROPOLITAN MUNICIPAL COUNCIL
held IN THE CITY HALL
BLOEMFONTEIN
on
FRIDAY, JUNE 3, 2022
at 16:00**

ATTENDANCE REGISTER

POLITICAL LEADERSHIP			
#	NAME	PARTY	LEAVE
1	<u>Speaker</u> Cllr Lockman (Stefani Bernadette)	ANC	
2	<u>Executive Mayor</u> Cllr Siyonzana (Mxolisi Ashford)	ANC	
3	<u>Deputy executive Mayor</u> Cllr Mothibi-Nkoane (Maria Mapaseka)	ANC	
4	<u>Council Whip</u> Cllr Nikelo (Vumile Edwin)	ANC	
SECTION 79 CHAIRPERSONS			
5	Cllr Mokoakoa (Mpho Isaac)	ANC 29	
6	Cllr Nhlapo (Ntombi Anna)	ANC	
7	Cllr Qai (Alfred)	AIC	
8	Cllr Seleke (Puseletso Leticia)	ANC	
MEMBERS OF THE MAYORAL COMMITTEE (SECTION 80 CHAIRPERSONS)			
9	Cllr Titi-Odili (Lulama Magdeline)	ANC	
10	Cllr Morake (Molefi Andries)	ANC	
11	Cllr Matsoetlane (Meditaba Joyce)	ANC	
12	Cllr Mogotloane (Thabo Joel)	ANC 39	
13	Cllr Tladi (Motshewa Martha)	ANC	
14	Cllr Mosala (Motlhokung Theodorah)	ANC 11	
15	Cllr van der Ross (Kevin Etienne)	PA	
16	Cllr Twala (Pani Sidney)	ATM	
17	Cllr Jonas-Malephane (Vuyelwa Eunice)	ANC	

PR COUNCILLORS			
#	NAME	PARTY	LEAVE
18	Cllr Campher (Zaandre MC)	DA	
19	Cllr Davies (Maryke)	DA	
20	Cllr De-Huis (Dikeledi Jane)	EFF	
21	Cllr De Kock (Valerie Belinda)	FFPlus	
22	Cllr Denner (John Henry)	FFPlus	
23	Cllr Dennis (Magdalene Elizabeth)	DA	
24	Cllr Ferreira (Thomas Ignatius)	DA	
25	Cllr Klaasen Raynie Sarah	DA	
26	Cllr Letsoko (Mantwa Sanah)	EFF	
27	Cllr Lipale (Gopolang Jeremiah)	EFF	
28	Cllr Makau (Pitso Elias)	EFF	
29	Cllr Malebo (Deliwe Lettia)	EFF	
30	Cllr Maliela (Motiki Edwin)	DA	
31	Cllr Masoeu (Thapelo David)	DA	
32	Cllr Mogotsi (Mamahlape Elias)	EFF	
33	Cllr Mohlamme (Lebohlang Lerato)	DA	
34	Cllr Mokoena (John Itumeleng)	AASD	
35	Cllr Mongale (Mojalefa William)	AASD	
36	Cllr Monyakoane (Ntwa Patrick)	ANC	
37	Cllr Moreeng (Kabelo Christopher)	DA	
38	Cllr Njiva-Lebajoa (Mamotse)	DA	
39	Cllr Ntshakazane (Eunice Xoliswa)	EFF	
40	Cllr Phupha (Ntsoaki Agnes)	PA	
41	Cllr Phohleli (Tsholwane Eddy)	EFF	

42	Cllr Ramatlama (Mpho Joseph)	EFF	
43	Cllr Rampai (Pule Joseph)	ACDP	
44	Cllr Rasoeu (Lempe Ernest)	DA	
45	Cllr Sebolao (Jankie Elisha)	EFF	
46	Cllr Shale (Nkahiseng Reginah)	EFF	
47	Cllr Snyman van Deventer (Elizabeth)	FFPlus	Absent with apology
48	Cllr Terblanche (Arthur Phillip)	DA	
49	Cllr Thomas (Johannes Beleme)	EFF	
50	Cllr Thwala (Zwelinjane Jonathan)	DA	
51	Cllr van der Merwe (Rulhof)	DA	
52	Cllr Viviers (Benhardus Jacobus)	DA	
53	Cllr Vorster (Braam)	FFPlus	
54	Cllr Wewege (Mare-Lize)	FFPlus	
WARD COUNCILLORS			
55	Cllr Sefaki (Samuel)	ANC 1	
56	Cllr Mokgothu (Tona Kenosi Wilfred)	ANC 2	
57	Cllr Machachamise (Tshepiso Oudious)	ANC 3	
58	Cllr Supi (Mahoko Harold)	ANC 4	
59	Cllr Lecoko (Lehlohonolo Nathaniel)	ANC 5	
60	Cllr Moilola (Tshidiso Petrus)	ANC 6	
61	Cllr Rampai (Chabeli Frank)	ANC 7	
62	Cllr Nyaphudi (Likeleli Julia)	ANC 8	
63	Cllr Tlhakung (Betty Masetlhabi)	ANC 9	
64	Cllr Setlai (Teboho Lesley)	ANC 10	
65	Cllr Hashatsi (Rafedile)	ANC 12	

66	Cllr Siteo (Nombulelo Dorcas)	ANC 13	
67	Cllr Lekgetho (Lebogang Winston)	ANC 14	
68	Cllr Mohibidu (Pulane Martha)	ANC 15	
69	Cllr Kruger (Caprice Logan)	ANC 16	
70	Cllr Mohatle (Mampone Sally)	ANC 17	
71	Cllr McKay (David Mark Campbell)	DA 18	
72	Cllr Peter (Seth Qondile)	ANC 19	
73	Cllr Pretorius (Werner)	DA 20	
74	Cllr Lotriet (Pieter Adam)	DA 21	
75	Cllr Leech (Dulandi)	DA 22	
76	Cllr van der Walt (Tjaart Botha)	DA 23	
77	Cllr Kotze (Gerhardus Dirk Petrus)	DA 24	
78	Cllr Botes (Francois Rossouw)	DA 25	
79	Cllr van Niekerk (Hendrik Johannes Christiaan)	DA 26	
80	Cllr Banyane (Zachous Nechodemus)	ANC 27	
81	Cllr Tukula (Teboho Daniel)	ANC 30	
82	Cllr Mabena (Mere Joel)	ANC 31	
83	Cllr Menyatso (Thabang Victory)	ANC 32	
84	Cllr Mohono (Tshidiso Augustine)	ANC 33	
85	Cllr Tshwane (Kabi Daniel)	ANC 34	
86	Cllr Fantisi (Teboho Samuel)	ANC 35	
87	Cllr Makoloane (Itumeleng Justice)	ANC 36	
88	Cllr Ramolele (Mmota Simon)	ANC 37	
89	Cllr Matsoso (Molahloane Florenciah)	ANC 38	

90	Cllr Pholoholo (Ntebaleng Petunia)	ANC 40	
91	Cllr Dintlhwane (Mantja Agnes)	ANC 41	
92	Cllr Mothupi (Maqoma Lazarus)	ANC 42	
93	Cllr Nkiane (Mpho Elizabeth)	ANC 43	
94	Cllr Pretorius (Selmé)	DA 44	
95	Cllr Mathe (Lisiwe Jeanette)	ANC 45	
96	Cllr Majoro (Mpho Samuel)	ANC 46	
97	Cllr Kganakga (Mokgadi)	DA 47	
98	Cllr Pretorius (Johannes Christiaan)	DA 48	
99	Cllr Moqolo (Lehlohonolo Joseph)	ANC 49	
100	Cllr Lelala (Makoa Cristophel)	ANC 50	
101	Cllr Mohulatsi (Mamoorosi Margaret)	ANC 51	

NATIONAL INTERVENTION TEAM

1. NCR

Mr E Maseko

OFFICIALS PRESENT

1. Acting City Manager
2. Acting Chief Financial Officer
3. Acting HoD: Social Services
4. Acting HoD: Corporate Services
5. Acting HoD: Engineering Services
6. Acting HoD: Waste Management
7. Chief Metro Police
8. Chief Executive Officer: Centlec
9. General Manager: IDP
10. General Manager: Committee Services
11. Secretariat officer
12. Secretariat Officer

Mr T Motlashuping
Mr T Sediti
Mr KI Kgamanyane
Adv N Mpangane
Mr W M^oleod
Mr F Nel
Mr KI Kgamanyane
Mr M Sekoboto
Mr Monyake Mothekhe
Mr Motete Mothekhe
Ms R Mamatela
Ms M Morakabi

Note by Secretariat

1. **Attendance Register:** Every member attending a meeting shall sign his/her name in the attendance register kept for this purpose before the commencement of the meeting.
2. **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).
3. **Name-plates:** Councillors are friendly requested to please take along their name-plates and to display it throughout the meeting.
4. **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).
5. **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.

6. Meeting rules:

- i. All Councillors must arrive at **least 15 minutes before the commencement** of the Council and all other Committee meetings;
- ii. Cellular phones **must be in silent mode** and **speaking on a cellular phone during the meeting is prohibited**; (Rule 50.2a)
- iii. A Councillor who speaks must **confine his or her speech strictly to the matter under discussion**; (Rule 31)
- iv. Unless expressly otherwise determined, a Councillor **may speak only once on a matter**; (Rule 32)
- v. No speech shall exceed **five (5) minutes** in length without the consent of the Speaker. (Rule 34.1)
- vi. 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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5
MINUTES
(OPEN COUNCIL)

102.

OPENING

(MOMENT OF SILENT CONTEMPLATION FOR MEDITATION AND PRAYERS)

Prior to commencement of the meeting, the Speaker confirmed that 76 Councillor were present in the meeting and thereon declared the meeting officially opened.

She then welcomed Councillors, guests and dignitaries, media and members of the community present in the gallery and those viewing via live streaming on Facebook.

She then requested all to observe a moment of silence for meditation and prayers.

NOTED.

103.

NOTICE OF THE MEETING

The Speaker read the notice as on page 2 of the agenda.

NOTED.

104.

APPLICATIONS FOR LEAVE OF ABSENCE

All relevant leave of absence and apologies were recorded and minuted as such in the attendance list on the first pages of the minutes.

NOTED.

105.

ACCEPTANCE OF THE AGENDA

The Council Whip moved for the adoption of the agenda as outlined on page 4 of the agenda index and was seconded by Councillor TO Machachamise.

NOTED.

106.

ANNOUNCEMENTS

None.

NOTED.

The Executive Mayor presented and tabled the IDP and Budget for the 2022/2023 financial year as follows:

Madam Speaker, Cllr Stefani Lockman-Naidoo
Chief Whip, Cllr Vumile Nikelo
Deputy Executive Mayor, Cllr Mapaseka Mothibi-Nkoane
Members of Mayoral Committee
Chairpersons of Section 79 Committees
Fellow Councillors
Traditional leaders
Acting Municipal Manager, Mr. Tebogo Motlashuping in absentia
Cabinet Representative, Mr E Maseko
Members of the National Administration Team
Municipal Officials
Members of Ward Committees
The Media
Ladies and gentlemen

Madam Speaker, perhaps it is the most noble thing to do to begin by expressing my sincere gratitude for the opportunity to present the 2022/23 – 2024/25 Medium Term Budget Framework of Mangaung Metropolitan Municipality, which is currently placed under the national administration. It could have been different if the Council was dissolved at the time of appointing the administrative team.

But we still have this chance to execute our Constitutional mandate, to use resources of the City in the best interest of the people of Mangaung in particular.

Fellow Councillors, this year marks 120 years since the signing of the Peace of Vereeniging between the Boer and British forces, which ended wars between these sides in 1902. This treaty culminated in the formation of the Union of South Africa in 1910, leaving Africans without voting franchise.

This was a crime against humanity that should ‘never, never and never again’ be allowed, as the founding father of our democratic nation Dr Nelson Rolihlahla Mandela would caution.

Madam Speaker, the 2022/23 Budget, is the first of the fifth administration, and it is centred around a thorough understanding of the state of the City, especially financial situation. When we took office after the local government elections in November 2021, Mangaung was already a Metro in the state of distress. We were, and still are, facing serious service delivery crisis. This begot us more complex challenges that further deepened our political and social instability.

We take our strength from our greatest resource – our people, who did not emigrate regardless of all this, but chose to live, work, invest and even offer their free services as volunteers in many other community development endeavours.

6A

Our people made this choice not because there are no alternative places or do not have a desire and determination to live in a prosperous city. They have many alternatives! Theirs is the greatest love for this City. This Budget, therefore, reflects on these realities.

Madam Speaker, this time around, we must be frank and honest in responding to a legitimate question as to where did we go wrong? For many people want to understand what is actually taking place in Mangaung, especially since the inauguration of the fifth administration, including the latest invocation of the national intervention in terms of Section 139 of the Constitution.

Today, we have members of the National Administration Team, because our Constitution makes it impossible for the lower spheres of government to collapse in isolation. While this Council might have survived a possible dissolution in terms of Section 139(5)(b) of the Constitution, it will be difficult for us to escape a flaming sword of accountability.

Fellow citizens, that is why today I am reminded of a confession of the former US Secretary of Defence, Robert S. McNamara who had to lead by good example in acknowledging leadership blunders during the Vietnam war, admitting:

“We’ve made mistakes in Vietnam. I’ve made mistakes. But the mistakes I made are not the ones they say I made.”

Likewise, we have made mistakes in Mangaung and for that, I apologise without any qualification. However, in our case too, the mistakes we have made are not the ones they say we have made. Our greatest deficiency is that we are very indecisive in building a capable state. Thus, all the anomalies distressing us today, stems from this error.

Fellow Councillors, there is now no time to falter anymore, for even covid 19 remains public health emergency that calls for vigilant, responsible and accountable leadership. This global pandemic and related containment measures have not only plunged us into the worse fiscal state, but contraction of the entire global economy.

This has dealt a heavy blow on our people as the lives of many are disrupted, many jobs have been shed and affecting the small and medium-sized enterprises in particular.

This has left many nation-states with no other options but to contain costs including consumption related spending, becoming tougher in enforcing accountability and compliant financial management including total eradication of misappropriation of public funds or corruption.

Madam Speaker, we are tabling the 2022/23 – 2024/25 medium-term expenditure framework (MTREF) Budget against few other pressures facing us. The cardinal pressure facing us is our current fiscal condition and this budget is tabled at the time when government continues to confront a challenging economic environment.

As a result, our revenue projections have been sharply reduced and spending pressures continue to mount. The combination of lower revenue and increased spending continue to put pressure on service delivery.

6B

We remain financially distressed due to economic recession, and our situation is worsened by lower rate of collection. The current projected collection rate is at 82% for the MTREF period. In this regard, Madam Speaker, we have no choice but to take drastic measures against debtors not registered as indigents. Our financial recovery plan further propagates firmness on cost-containment measures, increase and diversify additional revenue streams and attend to the management of surplus, cash, and its equivalents.

Regarding our financial situation, we are not resting on our laurels – our sleeves are rolled up as we now have a draft long-term financial strategy.

The consistent feature of the financial recovery plan on the agenda of this Council, portrays us as failures and poor implementers of our own resolutions and policies.

Progress report in this regard should, therefore, be given high priority by the MMC Finance and MPAC. This should be a matter of great concern to the National Administration Team as well.

Fellow councillors, the increasing debt book weakens our institutional capacity in terms of effective service delivery. The debtor's balance as of 28 February 2022 is **R8,06 billion**. Our situation would be more worrying if about 75 % of our capital budget was not grants or subsidies.

Regarding the service delivery challenges, there is an urgent need to review the master plan towards a more long-term orientated Capital Investment Plan. This will be done in such a way the City is able to strike a balance between the priorities relating to social infrastructure development and economic infrastructure development.

Logic dictates upon us that it is highly impossible to improve governance and service delivery acceleration if we are not managing our human resource well. The continued upsetting state has affected the morale of those in the employ of the Council. Hence, we are investing in building institutional capacity towards sound financial management, performance management including healthy labour relations.

Fellow citizens, notwithstanding all the current setbacks, this Budget seeks to strike a balance between the needs of the people as espoused in IDP including our institutional capacity to respond accordingly.

Having followed the budget principles underpinning local government finances in accordance with the MFMA, we have prepared the Budget for the next MTREF period 2022/23– 2024/25.

Therefore, Madam Speaker, our total revenue budget for the MTREF budget is projected at **R8,811 billion** in 2022/23 excluding capital grants (**R7,980 billion** in 2021/22), representing an increase in revenue of **R831,245 million** (10,42%) on the 2021/22 adjustment budget. The projection for the outer two years of the MTREF period is **R9,325 billion** and **R9,907 billion** respectively.

6C

Our operational expenditure increases from the adjustment budget amount of **R7,440 billion** in 2021/22 to a new budget amount of **R 8,157 billion** in 2022/23 representing an increase of **R715,332 million** (9.61%). The projection for the outer two years of the MTREF period is **R8,524 billion** and **R8,867 billion** respectively.

Fellow citizens, it is equally noteworthy that our capital budget for the 2022/23 financial year sits at **R1,281 billion** which is a decrease of **R 411,101 million** (24.30%) as compared to the 2021/22 Adjustment Budget of **R1,692 billion**. The capital budget for the two outer years of the MTREF period has been set at **R1,339 billion** and **R1,387 billion** respectively.

For the local sphere of governance, one of the most sustainable competitive advantages in terms capacity to generate own revenue is property rates. However, we have tried everything possible to keep the new tariff increases low as possible as we can. Thus for the financial year 2022/23, the **Property rates** increase by **3.89%**. Prior to the average increase, we took into considerations few critical factors including: the average increase of the rates tariff by 6.00%; re-engineering of the tariff structure aimed at promoting development, investment and business in Mangaung as well as the new rate ratios as determined. This is premised on the tariff structure that was re-engineered in order to promote development, investment and business within the City as well as new rate ratios were determined.

The challenges facing ESKOM, the power utility in South Africa, are borne by all of us. Accordingly, **electricity tariff** is set to increase by **10.39%**. The electricity revenue is projected at **R3,495 billion** in 2022/23 and **R3,166 billion** in the prior year representing an increase of R328,810 million which represent 10.39% on the 2021/22 adjustment budget. The projection for the outer two years of the MTREF period is **R3,649 billion** and **R3,813 billion** respectively. It should be noted that electricity tariff increases are approved by the energy regulator, National Electricity Regulator of South Africa (NERSA).

In the current financial year, **water service revenue** is set to increase by **7.75%**. The tariff in monetary terms it is projected at **R1,136 billion** in 2022/23 and R1,054 billion in the prior year, representing an increase of R81,667 million (7.75%) on the **2021/22** adjustment budget. The projection for the outer two years of the MTREF period is **R1,215 billion** and **R1,316 billion** respectively.

The **sewerage tariff** will increase by **2.40%** on average in the 2022/23 financial year and by **5.40%** (Residential) and 6.20% (Non-Residential) and **6.00%** (Residential) and **6.70%** (Non-Residential) for the two respective outer years. Compared to the previous financial year, the effective increase of 24.68% in the sanitation revenue is encouraged by factors. These factors include a new general valuation roll; 4% decrease in market value and the resultant decrease in expected property rates revenue due to the anticipated appeals processes; and the expected growth of the City by 1%.

Compared to the previous financial year (2021/22) the **refuse removal** increases by 12.97%. The **refuse removal revenue** is projected at **R177,674 million** in 2022/23 (**R157,276 million** in the prior year) representing an increase of **R20,398 million** (12.97%) on the 2021/22 adjustment budget. The projection for the outer two years of the MTREF period is **R191,144 million** and **R207,634 million** respectively.

6D

Fellow citizens, this budget further addresses critical governance issues identified by the Council as key priorities. These include employees related costs. It has now become a norm to expect sporadic labour unrests ensuing on- and -after municipal payday. This is due to overtime which we could not manage properly in the past. Hence, we have set aside **R113 million** for the filling of critical vacancies to reduce overtime.

In filling vacancies, we will not compromise appointing qualified individuals, especially appointments at senior and middle management level. Internal processes are also at the advanced stage to finalise the appointment of political staff. We are deeply sorry for the pain that the affected Councillors and staff had to endure.

The salaries and wages budget is also increasing by **9.47% (R 207,097 million)** based on the 2021/22 adjustment budget amount of **R2,186 billion** to a new amount of **R2,394 billion** in the current financial year.

Our consolidated operational revenue budget is projected at **R8,811 billion** in 2022/23 excluding capital grants (**R7,980 billion** in 2021/22), representing an increase in revenue of **R831,245 million** (10,42%) on the 2021/22 adjustment budget. The projection for the outer two years of the MTREF period is **R9,325 billion** and **R9,907 billion** respectively.

Fellow Councillors, critical to our collective responsibility is monitoring our performance in terms of how debt is serviced. About a fortnight ago, as Honourable Minister Senzo Mchunu presented his budget vote, he said, municipalities and the water boards are responsible for **65% of R24.57 billion** debt owed to the Department of Water and Sanitation's Water Trading Entity.

This is why we have increased our budget for debt impairment by **R146,309 million**. This represents **15,50%** from the 2021/22 Adjustment Budget allocation of **R943,784 million** to a new amount of **R1,090 billion**. The indicative amount for the two outer years of the MTREF period is **R1,150 billion** and **R1,218 billion** respectively.

Fellow Councillors, for the financial year 2022/23 our fiscal condition allows for the depreciation budget of **R347,000 million** for 2022/23. This particular allocation is actually demonstrating an increase of **R46,719 million**, representing **15,56%**.

Critical for future consideration is whether our tariffs are set in such a way that they enable us to cover the actual costs of bulk purchases. I raise this matter because if the growth trends in bulk service charges (including employees) cannot be afforded accordingly, then more financial mayhems looms for us. To avoid this, in preparing this budget, we have also taken into serious consideration the implementation of the latest version of municipal standard chart of accounts (MSCOA).

Accordingly, our bulk water purchases is now no longer accounted for under bulk purchases, but under a combination of inventory consumed and losses.

6E

Given the increase of electricity by **7.18% (R 143,782 million)** against the 2021/22 Adjustment Budget amount of **R 2,002 billion**, to the proposed new amount of **R 2,146 billion** for the 2022/23 budget year; the allocation for the two outer years of the MTREF period is **R 2,240 billion** and **R 2,341 billion** respectively.

Madam Speaker, furthermore, as bulk purchases relate to water which increased by **17.64% (R 133,479 million)** against the 2021/22 adjustment budget amount of **R 756,521 million**, to the proposed amount of **R 890,000 million** for the 2022/23 budget year; the allocation for the two outer years of the MTREF period is **R 929,160 million** and **R 970,972 million** respectively.

For the financial year 2022/23 the bulk purchases take up approximately **36.97%** of the operating budget.

Regarding the **inventory consumed**, formerly known as **other materials** which excludes Water Bulk Purchases, budget increased by **5,82% (R 4,986 million)** against the 2021/22 adjustment budget amount of **R 85,725 million**, to the proposed amount of **R 90,711 million** for the 2022/23 budget year. The allocation for the two outer years of the MTREF period is **R105,500 million** and **R108,134 million** respectively.

It is indisputable fact that the topic of contracted municipal services is trending because of critical questions relating to the bid processes and quality of work, and whether outsourced services could not be done internally or not. In our quest for good governance, we encourage studies in this topical issue and findings in this context should be shared for correction where necessary. We will not prefer to continue business with service providers who render services below set standards, there should be quality assurance and value for money in whatever services rendered.

Fellow Councillors, contracted Services budget increased by **R 26,796 million (4.71%)** from the approved adjustment budget allocation of **R568,564 million** in 2021/22 to a new allocation of **R 595,360 million**. The allocation for the two outer years of the MTREF period is **R 617,864 million** and **R 637,497 million** respectively.

The increase is due to the intention to address the service delivery priorities and the cleanliness of our City. It caters for litter picking & street cleaning, maintenance of parks, cleaning of entrances, tree cutting, repairs and maintenance of roads, unblocking of sewer reticulation infrastructure, attending to water losses due to burst pipes, leakages, maintenance of service delivery vehicles and implementation of revenue enhancement strategies.

For the maintenance of parks, entrances, and felling of trees reserved for local SMMEs about **R10,7 million** has been allocated. In the current financial year, other priorities of the Council include:

- Sustainable refuse removal solutions reserved for SMMEs (Door to door refuse collection, litter picking and street cleaning) – **R21,5 million**;
- Maintenance addressing potholes, re-graveling of streets and cleaning of storm-water channels – **R29,9 million**.
- Effective Fleet Management solutions – **R46,1 million**;
- Maintenance of vehicles – **R21,5 million**;

- Improve revenue collection and enhancement strategies (including valuation roll) – **R20,4 million**;
- Renovations and repair of municipal facilities – **R30,1 million**;
- Address water leakages and losses – **R46,5 million**;
- Land and availability of sites – **R13,6 million**;

The cost of repairs and maintenance is projected at **R517,045 million** for 2022/23 budget year and for the two outer years of the MTREF period the costs are projected at **R551,141 million** and **R575,972 million** respectively.

Madam Speaker, Transfers and Grants budget have reduced from the appropriated adjustment budget of **R2,830 million** in 2021/22 to an amount of **R409,000** in 2022/23. The allocation for the two outer years of the MTREF period is **R427,000** and **R446,000** respectively. The allocation is impacted by the MSCOA classification to the budget for grants to be reflected as revenue foregone instead of grants and subsidies paid.

Fellow Councillors, the capital budget for the 2022/23 financial year is set at **R1,281 billion** and has decreased by **R411,101 million** (23.40%) as compared to the 2021/22 adjustment budget of **R1,692 billion**. The capital budget for the two outer years of the MTREF period has been set at **R1,339 billion** and **R1,387 billion** respectively.

The budget will be funded out of Government Grants and subsidies and internally generated fund (own funding) as funding sources. Government grants contribution to the Metro's capital budget will be reduced by **R454,630 million (32.06%)** to **R963,271 million** in 2022/23, from adjustment budget amount of **R1,417,901 million** in the 2021/22 budget year. The projection for the two outer years of the MTREF period is **R1,020 billion** and **R1,063 billion** respectively. The grants and subsidies contribute up to **75.21%** of total capital funding over the MTREF period. The major grants being the Urban Settlement Development Grant (USDG) and Public Transport Network Grant (PTNG).

The USDG is provided directly to accredited or high-capacity metros and municipalities by means of a DORA transfer for infrastructure development to support the upgrading of informal settlements and increase the provision of serviced land in metropolitan municipalities. This grant enables us to create sustainable and integrated human settlements towards improved quality of the people of Mangaung.

Fellow Councillors, in pursuit of promotion of integrated sustainable urban settlements and improving quality of household, we will be:

- Upgrading roads including resealing at the cost of **R82.6 million**;
- Upgrading Water Infrastructure at **R118,5 million**; and
- Installing prepaid and bulk water meters at the cost of **R29 million**;

To deliver on these outcomes, the City has been allocated **R477,007 million** in the 2022/23 financial year, and **R498,031 million** and **R520,397 million** in the two outer years.

6G

Madam Speaker, regarding the **Informal Settlement Upgrading Partnership Grant (ISUPG)**, allocation of **R265,636 million** in the 2022/23 financial year has been made available, intended to serve as a planning and preparation platform towards the Informal Settlement Upgrading Partnership grant. Previously this grant was included in the USDG and ringfenced for informal settlement.

Amongst other critical grants through we were funded, is the Public Transport Network Grant (IPTN).

Fellow citizens, we have delivered accordingly on our promise to transform public transport system to become a high-quality, safe and affordable public transport system in terms of the IPTN.

Let us not forget that it was this very august house that has approved the Hauweng Bus Operations. Guided by the legislative provisions specifically the Land Transport Act (ACT), we are expected to appoint the current public transport operators for the first 12 years of the bus contracting under IPTN. And few weeks ago, this matter was clarified in this Council.

To reiterate our reply in this regard, within our jurisdiction, the public transport operators are mainly the Taxi Operators represented by Taxi Associations and the Bus Company represented by Interstate Busline (IBL). There are few consensual agreements and processes that have been sealed with these stakeholders. These include:

- Signed Memorandum of Agreements between the City and Taxi Associations
- Signing of the memorandum of agreement between the City and IBL
- Establishment of the Bus company established by Taxi Associations namely Mangaung Transit (PTY) Ltd
- Signing of compensation Agreement with the Taxi Associations and the affected Brandwag operators including the Restraint of Trade by the Brandwag operators in order to ensure complete removal of taxi along CBD-Brandwag route to avoid competitions and conflicts.
- Purchasing of 10 Hauweng Buses through the supply chain processes
- Leasing of Hauweng buses to Mangaung Transit pending the bus transfer process as contained in the MFMA.

This implies we are now ready with the operationalisation of the Hauweng buses and this is envisaged to happen before the end of June 2022. To date, a lot of work has been done regarding the Integrated Public Transport Network as we have completed the following road construction projects:

- Non-Motorised Transport (NMT) in Willows area (Park Road, Ella Street, King Edward and Victoria Road)
- NMT in Thaba Nchu adjacent to Bartamea School of the Blinds
- NMT in Botshabelo adjacent to Botshabelo stadium
- Maphisa Road and NMT
- Harvey Road and NMT
- Chief Moroka Crescent and NMT
- Fort Hare and NMT

6H

Despite these, there are few setbacks as well. There are some delays at the capital projects involving construction of the Hauweng bus depot civil works at Heidedal next to SPCA and Moshoeshoe Road. Accordingly, the current contractors are facing penalties in terms of the initial contract they have signed, and discussions are underway to complete these projects in the next 90 days at the most.

Madam Speaker, it is essential to empathise the fact that through the IPTN project, 6 contractors, 31 sub-contractors and 88 labourers were employed. The project has mainly benefitted the youth and women in terms of job opportunities.

Significantly, despite our obvious financial constraints, we can still fund some projects from our funds. The projects included the capital budget are estimated at **R317,565 million** for the 2022/23 year funded through own funds. The allocation of the two MTREF period outer years is **R319,015 million** and **R324,768 million** respectively.

The following are some of own funded projects:

- Electricity Infrastructure budgeted for **R265,2 million**; and
- Upgrading of ICT systems and related infrastructure at the cost of **R28,1 million**.

In accordance with the Urban Settlement Development Grant (USDG) which is provided directly to accredited or high capacity metros and municipalities by means of the division of revenue processes (DORA), we have received an allocation of **R477,007 million** in the 2022/23 financial year, and **R498,031 million** and **R520,397 million** in the two outer years.

This is mainly for the creation of sustainable and integrated human settlements in Mangaung. With this allocation we envisage to:

- increase in bulk and link infrastructure;
- construct internal engineering services;
- increase number of serviced sites;
- fast-track individual connections;
- accelerate provision of land for informal settlement upgrading, subsidised housing, or mixed-use developments in support of approved human settlements and other urban developments;
- increase in access to public and socio-economic amenities; and
- Increase in the number of interim basic services.

Fellow Councillors, the spatial transforming of cities has been on the radar for quite some time now. Thus our Development of Integrated and Sustainable Human Settlements through the Catalytic Land Development programme seeks to address the transformation of the spatial housing patterns. Our focus will be premised on creating more inclusive, denser and mixed-use urban areas. By this, we are striving for more affordable and functional housing market that responds to both supply and demand.

There different sources of funding for the Catalytic Land Development projects, including private, debt, the urban settlements development grant and the human settlements development grant. For this purpose, we have identified the following strategic land parcels:

- Hillside View
- Vista Park Extension 2

- Vista Park Extension 3
- Brandkop 702
- Cecilia Park
- Brandkop Racetrack
- Airport Development Node
- Estoire Development
- Caleb Motshabi
- Lourierpark
- Thaba Nchu- Botshabelo Development Node

Though we have not yet adopted our own growth and development strategy as the National Development Plan (NDP) prescribes, we applied its principles. In this regard the City is committed to the vision of incremental upgrading of the informal settlements. We have **47** informal settlements, accommodating about **30 329** households. Of these, **95%** have access to electricity; and the roll-out of basic services is underway. We will move with speed in upgrading other informal settlements. For we have seen what happened in Durban after the floods in April and May 2022.

Fellow Councillors, I think I should emphasise that ten years ago in 2012, we adopted Disaster Management Plan and this, just like the IDP is reviewed updated on annual basis. Preparedness, in case disaster strikes, is ensured through effective institutional arrangements in which special provision is made for the involvement of the relevant stakeholders. These includes the other spheres of government and the NGOs. From 2016 to date, we have upgraded **six (6)** informal settlements and currently in the process of upgrading 16 more. In this the upgrading of informal settlements is estimated at **R265,6 million** and Vista park at **R45 million**.

Under **Informal Settlement Upgrading Partnership Grant (ISUPG)** an allocation of **R265,636 million** in the 2022/23 financial year has been made available. Previously, this grant was included in the USDG and ringfenced for informal settlement.

Fellow Councillors, I can attest to the fact that it is risky and expensive to drive on our roads. I took a tour around the City and was left astonished! We will therefore fast-track implementation of the Road Asset Management Plan. This august house has already approved the Road Asset Management Plan report as part of the IDP sector plans. We will also pay special attention on the status of public roads, major economic roads and roads leading to social facilities would be addressed.

Maintenance addressing potholes, re-graveling of streets and cleaning of stormwater channels, **R29,9 million** and an amount **R82.8 million** has been set aside for upgrading of roads including resealing.

Madam Speaker, another major crisis facing us is the pain of the raw sewerage spillage affecting local communities. This robs our people the right to clean and healthy environment. This has also led to the emergence of concerned groups and agents of change, including the likes of Messrs. Mpho Mojanaga, Stanley Molosioa and few others, who said enough is enough. Theirs is a fervent patriotism and loyalty to the City, for they have demonstrated this as they mobilised communities in the process of unblocking sewerages and cleaning graveyards.

These progressive fellows deserve special words of commendation for keeping us on our toes as public representatives and functionaries within Mangaung Metro. In response to this, for the unblocking and maintenance of sewer reticulation infrastructure we have set aside **R49,4 million** and additional **R89,9 million** for sewer infrastructure upgrading.

Fellow citizens, the sanitation revenue is projected at **R507,200 million** in 2022/23 (**R406,798 million** in the prior year) representing an increase of **R100,402 million (24.68%)** on the 2021/22 adjustment budget. The projection for the outer two years of the MTREF period is **R542,695 million** and **R583,863 million** respectively.

Amidst the global pandemic and economic crisis, we owe it to the people of Mangaung to create an enabling environment for economic development and growth. We are, first-and-foremost, poised to overcome piecemeal approach of confining growth and development strategies to a single term of the Council.

The City needs a long-term growth and development strategy. Consultations with relevant stakeholders including the South African Cities Network are underway. The informal sector has for the past number of years accounted for the biggest slice of created job opportunities.

Earlier this year, when the State President said “[w]e all know that [the] government does not create, businesses create jobs,” this was misconstrued as now abdicating state’s responsibility to the private sector. Such interpretation is another mistake we are making. Though the state is a primary actor in promoting the general welfare of society, it has a duty to mobilize private sector investment in achieving this. White Paper on local government acknowledges the fact private sector can provide ‘economies of scale and specialist expertise’ more efficiently than what we may have internally.

This is why, amongst many other factors, we are currently engaging some investors to boost the local economy. The mobilization of private sector constitutes integral part of our Fifth Utility. By this, we mean a new model for new services and revenue streams which aimed at amplifying our traditional (four) utilities including water, waste, sanitation and electricity. It embraces services and trading in broadband and data, logistics and warehousing, gas and energy.

Fellow citizens, venturing into the fifth utility calls for the involvement of multiple stakeholders including the upper spheres of government.

In this financial year, therefore, feasibility studies are underway to:

Establish the **N1/N8 logistics hub** to exploit our geographic advantage of being at the epicentre of South Africa. We have been talking about it for a number of years. This time around we will ensure logistic hub comes to Mangaung. Much has been said in the past about transforming Mangaung into a logistics hotspot, but now are doing something. Hence, we began with a feasibility study.

Furthermore, we also taking full advantage of the current relaxation of the generation of electricity in South Africa. In this regard, another feasibility study that is underway involves our electricity utility, the CENTLEC, to include **generating own electricity**.

6K

In pursuit of economic recovery, the City is also taking full advantage of the Schedule 4B of the Constitution to trade in and reticulate gas. This move is triggered by the obvious uncertainties related to electricity supply stemming from the loadshedding that has become a norm in our time. This is a critical step in creating alternative own revenue source.

In recent years, our Country continues registering high rate of unemployment, mainly leaving many young people and women in poverty. Accordingly, in this financial year, we will be leading a more pro-youth and -women employment driven campaign.

Fellow citizens, regarding the informal sector, we are investing in the construction of informal trading stalls, market service centres as well as paving, installation of steel structures, building work, roof sheeting and ablution facilities.

The City is committed in growing township economy. We have collaborated with the DTI, FDC and Softstart to build the very first ICT Digital Incubation Hub in the Botshabelo region. This Hub is now complete and operational.

Earlier this year, we made commitment to incentivise investment by offering at least five (5) year rent free in Bloem-Industria and FDC factories. Other initiatives include:

- Formalisation and mainstreaming of informal traders and SMME;
- Provide business opportunities and contribute to job creation;
- the informal trade market in the Thaba Nchu CBD area catering for 100 mixed-use stalls; and
- The phased construction of the Park will commence in the current financial year with anticipated completion dated of 2024/2025 financial year.

We are truly privileged to benefit from the Presidential Employment Stimulus for the City received **R19,5 million** for the Public Employment Programmes. The Presidency initiated the PEP, which is coordinated by the National Treasury through the Neighbourhood Development Partnership Grant.

To benefit, we had to submit the initial business plan for consideration by the National Treasury and we are now ready to revive the economy of the City and create more job opportunities for our people. EPWPs and the Presidential Employment Programme (PEP), we have received **R19,5 million** from The Presidency and the lifespan of the current PEP is 6 months.

In conclusion, the Budget we are presenting today does not necessarily provide for developmental endeavours. This is because we are in transition to financial recovery. Hence amongst other budgeted related policies set for tabling, a proposed policy on the long-term financial planning is included. In the near possible future, we will be able to present a more economic growth and development-orientated budget.

For now, attainment of absolute financial recovery and promotion of good governance are top priorities. We are already making strides in uprooting the culture of non-payment of municipal accounts. We are indebted to the ratepayers who remain faithful in paying their municipal accounts in these trying times of global pandemic and economic meltdown.

To the members of the National Administration Team, you owe it to all South Africans to prove that our constitutional democracy works. Whatever you do, in executing your mandate, do it with all your might, leaving no single stone unturned. Up until this far, we have not fully explored alternative ways of generating own income. Thus, we need your expertise towards:

- Transforming law enforcement to be effective in generating significant income from traffic and compliance related fines like other municipalities.
- Ensuring outdoor advertising generates income for the City.
- Effecting necessary changes to make sure our parks are in operation and generate income as they used to.

Fellow Councillors, sooner than we may think the current term will come to an end, we will be like all the rest, who were once endowed with the very legislative and executive power we are enjoying as members of this august house. Let us therefore seize the moment and hold no breath in fulfilling the wishes of our people.

To all officials of the Council, the onus rests upon us to change a negative perception that the Council has employed a bunch of unproductive cheque-collectors.

We should brace ourselves for the new legislation called the Local Government: Municipal Staff Regulations which ushers the era of professionalisation of municipal administration with a particular focus on performance management system. Let us therefore grab this rare honour, of serving the people of Mangaung with full hands.

To the people of Mangaung, we will be lying to ourselves if we could even think you are happy about the quality of service delivery in Mangaung. The discontentment raised during the recent Presidential Imbizo including many other complaints tabled before my office and Councillors, have not fallen deaf ears. With the assistance of the National Administration Team we will ensure that we deliver on the commitments we have made including responding accordingly on the complaints raised to us.

We will also be working closely with other spheres of government. Through the District Development Model (DDM), the State President Cyril Ramaphosa has rekindled that optimism in building a capable developmental state which discourages operation of state institutions in silos. In this regard, our One Plan is ready for tabling and processes to establish the two IGR committees, political and technical, are at the advanced stage.

We have hope and together we will overcome. For surely, it is arbitrary to conclude that a particular nation, society or community has collapsed.

Let us therefore hold no breath in fulfilling the wishes of our people.

Madam Speaker, please allow me to table before this august house the 2022/23 – 2024/25 MTREF Budget and the following budget related policies items for consideration and approval. I thank you.”

6M

The Deputy Executive Mayor addressed the Council:

“Honourable Speaker
Executive Mayor
Chief Whip
Mayco Members
Honourable Councillors
Acting City Manager
National Intervention Team
Officials and Communities of Mangaung.

The Municipal Systems Act reading together with its Regulations provides for the preparation and adoption of the Integrated Development Plan.

As the new Council, we have inherited conditions that needed resilience and decisive decision making in order to turn around this Municipality. During the development of this strategic document, the City had so many challenges regarding the provision of municipal services and financial position of the City.

Furthermore, the development of the IDP followed all prescripts such as the new Metro guidelines, National treasury reporting reforms and IGR support on the programmes and projects from National and Provincial departments. It also considered the five (5) IDP Strategic Development Objectives as endorsed by the Steering Committee as well as the Mayco led by the Executive Mayor.

Honourable Speaker, despite the challenges concerning the covid 19 pandemic, this 5-year document underwent the benefit of being influenced by the communities of Mangaung (via print media) and (through physical meetings in various Wards) and myself as the Deputy Executive Mayor, I was part of some of these meetings.

The City has extensively consulted communities, businesses, non-governmental organisations, SOEs and other spheres of government to provide comments on the draft IDP for a period of 21 days and such inputs have been incorporated into this final document.

Speaker and Executive Mayor, as the responsible custodian of IDP and PMS, I want to assure this august house that this document meets all the necessary prescripts as required by the law. I want to assure that every aspects of our communities has been considered...(inaudible, poor audio quality). As the ANC, we support this budget. Thank you, Honourable Speaker.”

Councillor D Leech addressed the Council: “Madam Speaker, while the Executive Mayor of Mangaung Metro would like to sketch a picture of a Municipality where there is hope for the people under an ANC government, the Democratic Alliance would like to today sketch a more realistic, a more truthful picture of what is currently taking place in our metro and while these figures and wish lists all look good on paper, history has shown that it will stay exactly that, a dream on paper.

What will however be implemented, is the ANC Government’s plan to further cripple the economy and extort the citizens of Mangaung and South Africa of their hard-earned money.

6N

Not only are we facing yet another fuel increase, riddled by tax increases to compensate and pay for State Capture and corruption, citizens of Mangaung will have to pay additional increases in rates, electricity, water, sewerage and solid waste which are much higher than the inflation rate of 5.9%.

The ANC's increases for Mangaung are proposed as follows:

- Property rates at 6%. With an estimated R54,601 million increase in revenue.
- Electricity at 7,47%. With an estimated increase of R328,810 million in revenue. NERSA approved a 6,81% increase.
- Sewerage at 2.4%. Increase in revenue is expected to be R100,402 million. We sincerely hope that this increase will be allocated to refurbish our dilapidated sewerage lines.
- Water at 9%. The estimated increase in revenue is R81,667 million. It is expected that Bloemwater will increase their tariff with 9% and therefore a further increase of 4,20% is proposed which will in effect add up to a 13,2% increase in tariffs. Except for the fact that residents of Mangaung on a very regular basis sit without water, we are still constrained with water restriction rates, not due to drought but due to the ANC's inability to upgrade and maintain existing water infrastructure and to spend capital funding as budgeted for in order to secure additional water resources.
- Refuse at 4,80%. Total increase in revenue of R20,398 million. It is stated that this rate is linked to the size of one's erf but all households are limited to five (5) bags per week with no removal of garden refuse. This is absurd as many residents in addition to this pay a private contractor to remove their refuse as the Metro is rarely on time.

These estimated increases in revenue through tariffs equals to an amount of R585,878 million. This money is supposed to fund the operational budget in order to maintain infrastructure and for the day-to-day management of Municipal queries. The operating budget has been increased with R715,332 million to the amount of R8,157 billion. Unfortunately, we all know that this is an inflated budget and that your ability to collect outstanding debt is pathetic especially when it comes to debt of other governmental spheres.

The figures are being blown up in order to create the illusion that this is a funded budget while, if we work with realistic collection rates and interest earned from investments, not the 26,84% increase you are dreaming of, this budget is clearly unfunded. Grants paid to the Metro has decreased with R361 million, due to underspending. In other words there was money to change people's lives, you just didn't though them worthy of it.

What makes this whole situation even more unbelievable is that residents must deliver their own services, yes you heard right, while they pay the Metro for services, they again must pay to have potholes fixed, parks cut, refuse removed and out of pure desperation open sewerage blockages. The Democratic Alliance would like to thank organizations such as Anchore of Hope, Afriforum, The Neighbourhood Associations, The Good News Club, Raubex and every single business and resident who have gone the extra mile.

Fortunately for residents, there is hope. Residents can look forward to the following when the DA takes over in 2026:

- A government who will with immediate effect implement a cost cutting policy.
- The DA will implement a revenue enhancement strategy and will focus on anything from traffic fines, enhancing and managing rental incomes to effectively managing our billing systems;
- An in dept investigation will be launched into the Metro's list of employees, and all payments to ghost employees will be stopped with immediate effect unlike the ANC's budget of R2.3 billion of salaries, an increase of 9.47%.
- We will upgrade infrastructure and will illuminate unnecessary red tape and long waiting periods to approve developments;
- A DA government will ensure proper spending of its grants and will add to the day-to-day operations by fully tapping in to grants such as the EPWP programme and Neighbourhood Development Grant which will lead to additional bonuses and in the end more jobs and better service delivery.

The DA can unfortunately not vote for the ANC's budget, this is not a realistic nor a true reflection of what is happening in Mangaung. History has furthermore shown that no matter the figures you simply lack the will and or expertise to fully implement it. Thank you, Madam Speaker."

Councillor JE Sebolao addressed the Council: "Madam Speaker, Councillors, officials of the City, media and Mangaung residents. Madam Speaker. Thank you for allowing us to make our comments and contributions to these budget allocations. As the EFF Councillors, we were never invited to the Section 80...(inaudible – poor audio recording) a budget conference was held on June 2, 2022 and we are all aware what occurred in that location and venue..."

The Speaker interjected Councillor JE Sebolao to indicate that the people viewing the proceedings on Facebook livestream were complaining of the poor sound connection and it was important that they follow the proceeding of the consideration of the budget of the Municipality.

Councillor JE Sebolao continued: "Madam Speaker, how do you consult with Councillors a day before the budget meeting and any changes and inputs would not have made any change for the fact that the budget has already been drafted... (inaudible – poor audio recording)..."

(Note by Secretariat: due to poor audio recording, we were unable to complete Councillor JE Sebolao address to Council)

Councillor M Thompson addressed the Council: "Good afternoon Honourable Speaker, Councillors and all protocol observed.

Local taxes are mandatory contributions levied on individuals and businesses by a municipality. Tax revenues finance the Municipality's activities including public works and services. The tax collection should be used for the betterment of the economy of the Metro and all who are living in it. It is however a shame that the five (5) major services that the taxpayers of Mangaung are paying for namely: water, electricity, sewerage, waste management and roads are non-existent. Honourable speaker, the taxpayers of Mangaung are not provided with the services which they are paying for.

6P

In the Property Rates Policy, Section 3.3, it states that agricultural property should include the use of the property for the purpose of eco-tourism or the trading in or hunting of game. Properties used for the purpose of trading and hunting of game should not form part of Business and Commercial property. These properties should be included under agricultural property. To levy a business rate for these properties will not meet the objectives of this policy to ensure that all ratepayers within a specific category are treated equal and reasonably.

The law requires rationality when determining the tariff and that the tariff must take affordability into account. The impact of Covid 19 and draught conditions of the past years had a severe financial impact on game farmers and the sudden increases in tariffs will have a further financial impact on the industry and game farmers will not be able to afford such increases. It will have a severe financial impact in the whole industry including unemployment.

Further, public participation and debating is needed to discuss exclusions, exemptions, rebates and reductions and possible multipurpose tariffs in relation with game farmers before this part of the policy is approved and implemented.

The Property Rates Policy in Section 7.3.12 and Section 9, multipurpose properties are mentioned, however a clear calculation should be provided for the apportionment of the market value of a property to the different purpose for which the property is used. Determination of property rates tariffs for the 2022/23 financial year will increase by 6%, however the valuation increase will also be 9%, resulting in a total increase in the first year of 15%.

The reduction in business and commercial property tariffs are welcomed as well as the reduction in of the market value of a residential property in the amount of R100 000 also the reduction for senior citizens and disabled persons in the amount of R200 000.

The rebate of 75% on the tariff for agricultural property is also welcomed, however more should be done to keep the tariffs, especially on residential properties as low as possible, because the increase of the tariff rate for residential properties will have the effect that the consumer will have less funds in their pockets. It will further have the effect that the consumer will spend less at the local businesses, and said businesses will have a lower income which will lead to unemployment, further, the decrease in the business tariffs will have no positive impact, if the income of businesses decrease.

The tariffs for waste management services, domestic refuse removal tariffs will increase by 4.8% in all categories based on the size of the stand. The formula for calculating the monthly refuse charge based on size of the stand should be reconsidered, taxpayers are not treated equally and reasonably. A residential property of 301-600m² occupied by two individuals with probably the same amount of refuse per week as applicable to duet houses and private homes. It is clear that the middle class resident of the Metro will again be effected the most due to the increase in the tariffs.

The increases in the electricity tariffs are above inflation and again the middle class is effective the most due to the increase in the tariffs. The Metro must take control of Centlec to decrease expenditure with the goal to minimize the tariff increases. We need to abolish Centlec.

6Q

Water supply services and incidental charges. The average increase in the tariff on the sliding scale is 8.44%. This average is excessively high especially in the 16-30kl per month and 31-60kl per month with an increase of 7.2% and 8% respectively. The tariffs in this budget is good on paper, but it is not implemented as in the introduction through out the whole Municipality.

Honourable Speaker, residents are willing to pay for service delivery, we hear it all the time, but only if services are actually delivered. The Municipality must earn taxes and tariffs and not only collect it. There must be value for tax and tariff payments. Debt collection must be prioritised. However, it is important for systems to ensure accurate service accounts. Outstanding debt of government departments should be recovered effectively.

This budget ultimately is unfunded, and once again there are certain sections that are again just a cut-and-paste effort, for example; the Arthur Nathan pool entrance fee increase of 7%, and ticket sales for the Kwaggafontein Zoo that does not even exist. Hierdie begroting, Agbare Speaker, is 'n klap in die gesig vir die hard werkende Mangaung belasting betaler, die VF Plus sal dit dus nie steun nie! Thank you, Honourable Speaker.”

Councillor LM Titi-Odili addressed the Council: “Thank you, Honourable Speaker. Greetings to the Executive Mayor, Deputy Executive Mayor, leaders of political parties, Councillors, Officials led by Mr E Maseko, CEO of Centlec and Acting City Manager in absentia.

Honourable Councillors, today we are tabling this budget in the month of young people. We are tabling this budget while we know there are many challenges in this City. We are in 25% unemployment rate as Mangaung under the population of 747 431, and 83% thereof is African blacks.

Honourable Speaker, the 2022/23 – 2024/2025 MTREF is tabled at the time when government continue to confront a challenge in economic environment. As a results, the City’s projections had been sharply reduced and spending pressure continue to mount. The combination of lower revenue and increased spending continue to put pressure on service delivery.

Madam Speaker, the City’s finances remain under pressure mainly due to the lower collection rates. Mangaung continue to implement its financial recovery plan.

The financial recovery plan encourage that efforts must be fast tracked to increase collection levels, reduce expenditure, increasing and diversifying additional revenue streams and attending to the management of surplus cash and its equivalence.

The Municipality therefore acknowledge that the failure to do so would put pressure on the cash flow and the liquidity of the Municipality. Despite the fiscal pressure facing the City, the budget attempts to deliver on the Municipality’s responsibility, reflect the need to continue to deliver effective services; improving efficiencies and not put financial pressure on the residents...”

Councillor MW Mongale addressed the Council: “Honourable Speaker, we will also like to observe protocol. We were coming here with excitement that we are going to accept the budget. Our problem was, you never dedicated it to the people of Mangaung, this budget is not about the people of Mangaung. It is about people adopting a park, when there are children sleeping without food. There is no plan to adopt an orphaned child, or child headed family, but there to adopt an open space when there are people who goes to sleep without food.

We also want to deal with the elephant in the room, corruption. You cannot adopt the budget without first fixing the problem. I am excited that the Executive Mayor for the first time, did not go to Mimosa’s side, he went to the township and was met by potholes and start to realise why our people are so angry, but that anger cannot always be treated as “by the way” it should be fixed, a problem should be fixed.

We have the youth that is unemployed and we are told that unemployment is 25.9%, that is not true, that is a narrow definition. The broad definitions says, even those that are about to give up because of this crisis, because they have no choice, no alternatives because someone has chosen to sleep on duty.

When dealing with the tariffs, we have said in the meeting, your first meeting of 100 days Executive Mayor, that the tariffs in Mangaung are too high and they are frightening investors to come to this City; we wanted to have even an investor summit and we cannot have it in the City filled with potholes and rubbish.

You are talking about the Financial Recovery Plan, but you are also not honest with us to say, when are you going to tell the Provincial and National Government to pay us; are you going to sit in your comforts because they scared you that if you collect the money, they will remove you as the Executive Mayor.

This budget, must be about the people of Botshabelo, those who have been promised that the bucket system will be eradicated; those who have been given the false name vip-ventilated pit latrines i.e. an immovable bucket with an extra large issues, but they have not been removed even today. You speak about Botshabelo as if you love it, when are you going to start with industrialisation of Botshabelo? There are factories in Botshabelo that can be turned into an effective business. When is that going to be addressed? The Municipal office in Botshabelo looks like a prison, because no one is prepared to build a Municipal office of a standard it deserve in Mangaung.

One cannot speak about Thaba Nchu without talking about the trusts. The Rural Development is not investing in farming in Thaba Nchu, you speak as if, Mangaung is only in Bloemfontein and this must come to an end.

We need the people’s budget, we don’t want a budget that is a desktop analysis.

The Hauweng, I realised that even when you are in Mangaung for a long time, you cannot even pronounce Hauweng. Hauweng, have been called BRT, we are waiting for a new acronym, but the bus will still not be moving in this City.

On cemeteries, we want our people to be given dignity.

On bloated staff, I did not hear your comment on it. Remember you are the main culprit of the bloated staff, you started hiring more people while you were still a Speaker; more than 100 people were hired with bloated salaries and now you are the Executive Mayor, you are supposed to fix the mess you have created.

No where in your document it is about Soutpan, and there must be something about Soutpan in terms of local economic development. What about Wepener, there must be something about van Stadensrus, Dewetsdorp in terms of economic development.

The N8 Corridor, I heard that you are going to create something there that might end up having a lot of sex-workers and that will be a danger to Mangaung. You should be opening the N8 Corridor in industrialising factories until Thaba Nchu.

As a result of that, we are very disappointed that this budget has not been taken through the process that it should have, which is an intensive community participation in terms of the Constitution and because of that, as we are all aware of many issues in the community, unemployment of young people, lack of business opportunities etc. and because it has not been addressed, we are unable to adopt the budget, we reject it.

We reject the budget because as it is a youth month, we don't see anything addressing the vibrancy of young people, but the budget that is going to depress the young people. Therefore we reject it as Afrikan Alliance of Social Democrats. Thank you, Madam Speaker."

Councillor PJ Rampai made the following inputs:

- That their main concern was the day to day management of the Municipality and complete breakdown of service delivery.
- That the people of Mangaung who voted the previous year, were looking for hope and the Executive Mayor uttered good and nice words and figures however the question was, who would implement the budget?
- That whether the people of Mangaung would benefit from the budget or will it only benefit families and friends?
- That all Councillors saw what happened at the budget conference the previous day and he said previously delivering his speech on ...November 2021 that people were not fighting because they were hungry, but because the promises made, were not fulfilled.
- That it was time that the Municipality appoint people with integrity, who would serve the people of Mangaung with humility and not for their own agenda.
- That the ACDP would be happy if all the corrupted people would be removed from the leadership of Mangaung and that the figures covered all the people of Mangaung then the ACDP would support the budget however at this point, they were not supporting the budget.

Councillor DMC McKay addressed the Council: "Madam Speaker, allow me to point out the errors in this Integrated Disaster Plan. Yes, I called it a disaster plan, because that is exactly what it is! It is unsustainable and does not address issues of basic service delivery.

6T

If you compare the budgeted income projected for 2021/22 the adjusted budget compared to the pre-audit outcome, we already sitting with the deficit of R246,816; add that to the R30 million projected from fines, which will never happen, as we don't have a functioning traffic department; the R46 million current outstanding from debtors; the loss incurred from the indigent register that has not been updated since 2018; the over billing caused by the calamity in the billing department and last but not least the just more than R700 million over projected income from Centlec,(as the highest income collected by them was in 2019/20 year at R2,719,000, so the projected income of R3,494,870 is completely unrealistic).This will give you a total deficit of roughly R500 million for the first year alone, rendering this budget unfunded.

Maintenance is at an all time low. Take Ward 18 as an example, there are currently 10 leaks on average, are two (2) months old. With the aid of two (2) private plumbers we ascertained that collectively they leak an average of 60 litres per second, that amounts to ±R4,3 million litres per day or ±R129 million litres per month, which equates to just short of R1,3 million of irrevocable expenditure in Ward 18 alone. Take that amount and multiply it by 51 Wards, it equates to roughly R66 million or 12,5% of our Bloemwater monthly bill. This however could be averted if the 13 teams of employees, had the parts or materials to repair the leaks and the means to get to them. Currently they have two vehicles one for suburban areas and one for rural. Sanitation have similar issues of lack of resources, so subcontractors are called in to substitute for what the municipality could be doing. Yet residents are expected to pay an increase of 9% and 2,4% respectfully, for services they don't receive.

Refuse collection is still sporadic, no diesel, no trucks, no parts and landfill sites are free-for-all, with no control. Millions are budgeted for weigh bridges, ablution blocks and guard houses. What for? there is no fences or access control anyway! Residents however, will once again be expected to fork out an increase of 4,8% in tariffs. This brings me to roads, only 5% of the budget needed to repair and maintain them has been allocated and this is mainly for surface roads. The Gravel roads are expected to maintain themselves by the looks of things. Let me remind you Mr Executive Mayor that more than 23,5% of the Metro's rates and taxes come from the peri-urban and rural areas, yet they receive no refuse collection or sanitation services.

The only services they actually expect is the grading of roads and a stable electrical and water supply. Yet 90% of all peri-urban areas have not received gravel in years, nor have they been graded in the past year. This is once again due to a lack of resources, be it diesel, compactors, tipper trucks, graders, etc. Not to mention how the misappropriation of municipal resources in the department for personal gain amongst officials and friends, have further exasperated the situation.

Virtually none of these supporting annexes have been subject to any Section 80 Committees, due process has not been followed. A perfect example is the organisational structure which has been constructed and presented without any supporting documentation of how it was compiled or points of reference on its legality or functionality. Where is the political structure?

How do the 163 ghost workers fit in?

Notably, I am sorry to say, the content of these reams of annexes that describe the present state of the Metro, are not reflected in the actual IDP and sectoral plans we are supposed to be voting on nor are the aspirations obtained from the residents during public participation. In essence Madam Speaker, this item is like a snow rabbit that changes its colour in winter to from grey to pure white in order to camouflage itself in the snow. Once you strip down the beautiful fur and fat, you are left with a lean skeletal structure without much meat, 50% of these rabbits don't make it to summer.

If we vote for this budget, the Metro like the rabbits, will not make it. So, madam Speaker the DA will not standby and vote for this budget for the sake of passing a budget and saving our skin. We will be voting in favour of the interests of the residents of Mangaung and against this deplorable excuse for a Integrated Development Plan and Sectoral plan.”

Note by Secretariat: (the first part of the speech delivered by Councillor NA Nhlapho is not captured due to an interruption in audio recording)

Councillor NA Nhlapho addressed the Council: “... Madam Speaker, opposition would always oppose as it is their work. As the African National Congress, we have heard the dissatisfaction of our communities concerning some of the challenges they faced during heavy rain falls, to the residents of Mangaung, these have been prioritised to the budget that is tabled today.

Madam Speaker, this budget reflects that we are still committed to ensure that our people have access or get access to clean water and electricity.

Baahi ba Mangaung, re mametse ha le bua le rona ka matlakala a ka hara makeishene a rona. The plans and the budget we are tabling, prioritise collection of waste in our respective communities.

Madam Speaker, allow me to bring attention to this house, the residents watching the presentation of both the IDP and the Budget today, that have been prepared with careful consideration according to the following national key performance areas, namely:

1. Basic service delivery and infrastructure development which is indeed at the centre of Mangaung residents aspiration.
2. Good governance and public participation as it was seen in different Wards where the IDP meetings took place.
3. Considers rural economic development.
4. Institutional development and organisational transformation just as the Honourable Executive Mayor has alluded earlier.
5. Financial viability which speaks to the budget that we are currently sitting with.

Therefore Madam Speaker, as the African National Congress we are looking forward to implement the budget that captures and it is based on the people's aspirations and their well being. As the African National Congress, we support this budget. I thank you.”

Councillor B Vorster delivered his speech: “Thank you, Madam Speaker. **The** budget is set out to serve two primary purposes:

1. To set out a complete programme with regard to all expenditures of the Municipality during the coming year and the purpose for which they are to be made and to forecast the revenues from which such expenditure are to be financed;
2. To provide a method of controlling expenditure so that a municipality may live within its means and to provide information for useful and efficient management decision and to improve program and financial planning.

The budget making process

The budget making process goes beyond the legislation time requirements. It is important that the budget is designed and drafted to achieve its objectives.

Honourable Speaker, this budget did not even serve even before the Finance Committee for decisions and recommendations.

Essential Information for drafting of the budget

Honourable Speaker:

1. Where is the information with regards to the public participation and recommendation?
2. Where is the information with regards to the HoD's requests and recommendation?
3. Where is the information on which basis the draft policies were drafted.

Council are requested to approve the budget today, but the third quarter report that should contain the real financial position of the Municipality, and that was already due by the end of April, was not even table for discussion before Council.

Controlling of Expenditure

Honourable Speaker, one does not draft a budget to be funded by increase in the income, you control the expenses. The employee related costs will amount to 29.3% of the total expenditure of the operating. Overtime amount to R107 million, Performance Bonus to almost R116 million and motor vehicle allowance to almost R105 million. These expenses alone are 14.29% of the employee related costs. Contracted services amount to almost R600 million, an increase of 4.71%, the reasons given in the budget is to address service delivery such as litter picking and street cleaning, etc. Why cant these services be provided by the Municipality itself for a lesser amount.

The Public Transport Network Grant, almost another R28 million will be spend on the IPTN program. This is just another bottomless hole where funds are disappearing. Our own funded projects R1.8 million is allocated for new ablution facilities. R3 million is allocated for the upgrade at the Naval Hill Entrance and another R6.3 million is yet again allocated to the Metro Police Services after the National Treasury and the Auditor General indicated that the Metro cannot afford a Metro Police Service.

Control of expenditure is simple Honourable Speaker, one does not purchase a BMW for R1 million to travel from point A to B if one can purchase a Volkswagen for R400 000.00 to achieve the same goal. The time for luxuries is over.

6W

In conclusion, the average revenue for the years 2018 to 2021 was just over R1 billion. It is unlikely that project revenue of R8.8 billion in this budget will be achieved. The projected surplus of only over R650 000.00 is a clear indication that this budget is underfunded and unrealistic. It is the view of the Freedom Front Plus that is important for the Municipality to budget and plan realistically. While Municipal Managers, Chief Financial Officers and senior management are not qualified to do the job for which they were appointed, financial mismanagement will reign and that is why this budget is not drafted correctly.

There must be stability in political and administrative leadership and Council must be functional and other effective oversight.

Honourable Speaker, firstly, previous ANC lead administrations and Councils in this Metro could not run the administration and finances of the Metro. Then the ANC lead Provincial Government send an intervention team to rescue the Metro and they failed. Now the ANC lead National Government come to the rescue and still an unrealistic and unfunded budget is tabled today before Council.

Honourable Speaker, there is only one remedy to the Metro's Financial Position and that is a government without the ANC. This budget lack all the fundamental requirements of a budget that can be approved, it is underfunded. Unrealistic and does not correspond with the IDP. The Freedom Front Plus therefore cannot and will not vote for the budget as tabled before Council today. Thank you, Honourable Speaker."

Councillor M Kganakga addressed the Council as follows: " Good Morning Honourable Speaker and Honourable Councillors.

Through you, Honourable Speaker to the Executive Mayor, you Mr Executive Mayor have allowed Centlec, their CEO, their CFO and this Municipality's various City Managers to submit non-complaint statutory documents. Unsigned Mr Executive Mayor those documents are null and void. This is based on a 10% increase on revenue based on the adjustment budget, but that adjustment budget was never approved by this Council making this entire budget a misrepresentation as figures used are derived from a document never seen or presented to this Council.

Lets say these people that prepared this budget can count, how do you have over R2 billion shortfall in bulk purchases and still present a positive budget. This is R2 billion per annum as indicated in the annexures.

The salaries of the CEO and his team have been adjusted without any Council approval or upper limits approvals. In the annual financial statements (AFS) the salary of the CEO was stated as R1,3 million on these documents it is presented as R2,4 Million. The illegal adjustment in salaries are the following:

The company secretariat of R83 026

The office of the CEO R132 818

The office of the CFO R88 489

The office of the Executive Manager HR R88 489

Executive Manager Engineering and Retail R71 162

Executive Manager Performance and Communication R71 162

This entity plans to increase employee related cost in the first year by R18,8 million and by the 5th year to R71 million, almost half a billion on employee related cost, from an entity that cannot provide uninterrupted electricity supply to the citizens of Mangaung.

Then the projected expenses:

In this financial year alone Centlec spend R30 million on vehicle purchases, over the next five (5) years they plan to add an additional R121 million more on vehicles, R11, 6 million on security equipment when security services have been outsourced, this outsource security service has caused such drama and millions of rands in litigation. R31 million for office upgrades and a further R8 million on office furniture.

All these expenses are less money that Centlec is willing to spend on the infrastructure maintenance and upgrades. I sometimes wonder if these people understand that eventually the people will get sick and tired of that and they will move away from Eskom and Centlec, and then there will be no money for office furniture and office upgrades? How do you justify wanting to spending more money on office upgrades that maintenances?

A further R23 million to refurbish computer networks, this is more money they are willing to spend than on maintenance of the 11kv line.

Expenses for a board that hasn't sat for over 12 months.

The big money spender is the Vista Distribution Centre R14 million in the current financial year and further R109 million in the next five (5) years, I am willing to be on record today, that more millions will go into this projects before we even understand what we are paying for.

On the Capital Budget, it's very clear that the DA Councillors are hard at work and made sure that the needs of their communities are very well stipulated on the IDP but if you live in an ANC Ward for the next 5 years according to these documents, there will be no capital expenditure, Ward 1, 2, 3, 4, 5, 6, 7, 9, 11, 12, 13, 14, 15, 31, 32, 33, 34, 36, 37, 39, 40 and 43 and those Wards miserable in the next five (5) years.

On the tariffs, Centlec says on these documents that it has 750 customers that pay a double tariff, why? Who are these people, do they even know that they are paying for a double tariff that constitute for R64 million of Centlec's revenue annually?

23 Consumers paying a flat rate, and also why? As far as we know Rhodes Avenue is Centlec's only internal consumption unit. Who are the other 22 consumers?

Streetlights amounting to R91 million, how on earth was this figure determined and why is Mangaung being billed for street lights?

The revenue determination catapults fines from R1,8 million to R4,9 million. What kind of people are we that we would budget an additional R3 million received from the people we serve instead of finding ways to educate them about saving electricity or about the indigent register so that they can avoid illegal connections? Ons verlekker ons in die mense se armoede en swaar kry en will geld maak van dit.

To close off Honourable Speaker, I honestly cannot understand how a R2 billion shortfall in bulk purchases is something that we can ignore.

This flawed budget is based on 28 450 indigents, even without an updated indigent register that's pure nonsense, it is just nonsense. Centlec and the national intervention team now overseeing this budget, want us to believe that there are only 28 450 indigents from a previous 40 000 on Centlec's other document and that is the problem with this budget, it is fictional. Indigents is not something that we can ignore or under budget because we as a City are paying for those benefits and it affects our business.

Centlec has also made a provisions of about R600 million to write off debt impairment which is nowhere reflected in the documents. So, I wonder, was the AFS a lie or are these documents a lie? The AFS also presented a depreciation of R945 million, but on these documents a mere R76 million for depreciation. Centlec have R76 million for depreciation, that is not true, making a material difference of R861 Million that constitute for accounting fraud so that they can make this budget look funded while it's not.

Electricity a right of all citizens in South Africa as per the bill of rights and am afraid the 7,47% increase approved or not approved is an increase no one will be able to afford not even me and you sitting in this Council today.

The CEO has forgotten his mandate and that is to make sure that Centlec provides uninterrupted electricity to the citizens of Mangaung, instead contracted services have gone up from R38 million to R204 million.

The fact that there is no money or very little money allocate or projected for infrastructure maintenance makes me want weeps for business in Mangaung, people living on small holdings, those in the South and the people living in ANC Wards. Our priorities are not what they should be Mr mayor and that is to improve the lives of the people we serve and that unfortunately is on you, the people that prepared this document and your ANC. Thank you, Honourable Speaker.”

The following Councillors also made their inputs as follows, namely:

Cllr PL Seleke: “Madam Speaker, today as the African National Congress we are here representing the masses of the people who voted for us during the local government 2021 elections. We are also here to represent, most importantly the poorest of the poor and the entire City of Mangaung including all ethnicity groups in this Metro.

Madam Speaker, this budget that the ANC will pass today, must speak to the needs of our people as per the public participation processes which informs the IDP/Budget. It must also cater for everybody in this Metro, so that this Municipality is able to deliver the much needed services our people need as well as to address challenges of administration, labour force and a happy work force.

Madam Speaker, the ANC is a non-racial, and non-sexist movement who says that Mangaung belongs to all who live in it.

This budget must be able to address non-collection of refuse, potholes, water and sewer leakages, non-working street lights and traffic lights as well as address challenges facing local economic development.

Madam Speaker, without budgeting, and addressing the issues I alluded to, we will not lure and attract investors in our Municipality. This budget I believe, it will deal with that.

Madam Speaker, we will definitely as the ANC pass this budget and we urge and mobilise other governing parties, the ANC as well as the opposition parties represented in this Council to support the budget. Failing to support this budget, it would mean that the needs of the people are not taken seriously by us.

Madam Speaker, the other thing that I want to raise, that is currently happening in our Municipality, it is about the PEP workers. It cannot be correct that we refuse to pay these workers as well as general workers accordingly and on time as per their contracts signed. These people are citizens and residents of the Municipality, rate payers and bread winners. It cannot be right that they are not paid or their payment is illegal delayed for whatever reason.

Madam Speaker, we are requesting the approval of the budget as is, but we also want to review the budget within seven (7) days after the approval and the adoption of the budget to make sure that it answered to the needs of our people and it is inline with the ANC 2019 and 2021 election manifesto.

Madam Speaker, the ANC with these inputs, issues and challenges raised believe that we would be delivering what is tabled in this budget. We therefore support the budget.

Re le moifo wa ANC Mangaung re tshehetsa budget ena, mme ka kopo re a ikokobetsa. Re kopa o tlhokomele tlhahiso ya matsatsi a supileng ya ho tlathloba tokomane ena ya budget. Thank you, Madam Speaker.”

Cllr A Qai: “Madam Speaker, the principles of which the budget is formulated are legislated and parliamentary to that, is the element of public participation. Political parties represented in the Council derived their mandates from the votes of the people. The communities of Mangaung Metro Municipality also gave us a mandate on what should be the priorities of the government of the day based on the needs and analysis of Council.

Madam Speaker, our own observation and constituency work, most important work were most were in attendance of the Lekgotla held by the Executive across the City as well as engagements at a level of oversight committee, the consensus is that the decent construction and upgrading of roads and stormwater, infrastructure, human settlement etc is imperative because the previous administration did not invest much as they should have done in addressing backlogs in the City.

- Sustainable and consistent waste collection and removal of illegal dumping
- Provision of services to our informal settlements

All the above mentioned are covered in the current year budget, it is only a matter of implementation.

6AA

The AIC feels that the increase of tariffs in water and electricity is a bit high from what the people of Mangaung could afford. As the African Independent Congress, we fully support the budget proposed by the multiparty coalition government because we want to see progress in this beautiful City. I thank you, Madam Speaker.”

Cllr NA Phupha: “Thank you, Honourable Speaker. When the Executive Mayor presented the budget he said, he took a tour in our townships and the roads are in a very bad state, yes its true. Executive Mayor, why do we neglect our townships until the infrastructure that is already there, collapse. Why do we neglect our community after voting for us.

The citizen of Mangaung had lost hope and we need to restore it by delivering decent services. As Patriotic Alliance, we are looking forward to this administration that is politically lead by four (4) political partners to improve service delivery that the Mangaung citizen deserve.

Madam Speaker, there is nothing wrong with the budget if it is implemented as it is approved in Council without being tampered with. In Khayelitsha Madam Speaker, the people had lived next to open canal for more than 14 years and that itself cause health hazard, it must be addressed, it needs urgent attention. Grassland 2 & 3, need also to be prioritized by proper storm water drainage system.

Before concluding Madam Speaker, Cllr PL Seleke says that she urges the political parties that govern with the ANC to support this budget, Cllr PL Seleke, this is our budget and as Patriotic Alliance we support this budget. Thank you, Madam Speaker.”

Cllr SQ Peter:

- That Council approved the process plan which drove the process towards the development of the IDP and the budget.
- That Council undertook all the processes inline with Municipal Systems Act and the MFMA.
- That public participation processes took place in all 51 Wards of the Municipality and submissions were made in various forms, electronically etc and community aspirations were then considered inline with both Chapter 4 and 6 of the Municipal Systems Act.
- That an approach was developed for the coming financial year to track IDP projects that have been budgeted for and also that have been omitted as per the user Department.
- That they believed that the public consultations were dealt with in a much improved manner, despite challenges beyond control of the City.
- That the budget indeed prioritised issues such as: fleet maintenance, purchasing of fleet, waste removal and road infrastructure.
- That as the ANC they support the 2022/23-2024/25 MTREF budget.

The Executive Mayor responded that he heard what Councillors were saying as they made their presentation furthermore that when he started tabling the IDP/Budget, he said that they will be work together and that he would call imbizos to take the Councillors’ through the budget.

6AB

He further mentioned that there were progress made in the South and Northern landfill sides. That concerns raised by Councillors were heard and there will be a platform on a monthly basis where political parties would raise their concerns which then would be addressed by all.

The Council Whip requested a 5 minutes ANC caucus and it was granted as requested by the Speaker.

The Council Whip provided feedback on caucus that as ANC, they were ready to vote on item and furthermore understood the concerns raised by Councillors of the opposition. Saying, everything raised will still be considered... that they support the budget as ANC, as presented by the Executive Mayor.

The Speaker explained that there were two proposals on the table i.e.

1. *that the Council reconvene in seven (7) day period from the day of the Council meeting to formally adopt the budget which timeline inline with Section 24 of the MFMA 56 of 2003 OR*
2. *Adopt the IDP/Budget as presented by the Executive Mayor.*

The Executive Mayor indicated that the Council supposed to adopt the budget by the 31st of May 2022 and if not, then they had to write a letter to National Treasury requesting for an extension and the National Cabinet Representative (Mr E Maseko) would attest that the Municipality did apply for an extension which was given until the 3rd June 2022 to pass/adopt the budget.

After in-depth deliberations, the Speaker thereon allowed Councillors to vote on both items as presented by the Executive Mayor and announced the results as follows: 45 votes in favour and 37 votes against. The Speaker announced that based on the votes, both items were duly adopted by Council.

NOTED.

1.

TABLING OF THE MANGAUNG METROPOLITAN MUNICIPALITY'S INTEGRATED DEVELOPMENT PLAN (IDP) AS WELL AS SECTORAL PLANS (2022 – 2027) FOR APPROVAL

Note by Secretariat: the resolutions are not captured for the adoption of the IDP/Budget (Items 107.1 and 107.2) as the Council meeting was then re-scheduled to be held on Wednesday, June 15, 2022 for consideration and approval of the IDP/Budget as per the letter from Cllr E Snyman van Deventer based on Section 160(3)(b) of the Constitution of Republic of South Africa and that the meeting be called within seven (7) days as stipulated in the MFMA.

NOTED.

2.

**A. MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2022/23 – 2024/25
31 MAY 2022**

B. BUDGET POLICIES

- I. Draft amended 13th Supply Chain Management Policy 31 March 2022
- II. Tariffs policy 2021/2022
- III. Mangaung Metropolitan Municipality Adopt-A-Park Policy 2021/2022
- IV. Virement Policy 2021/2022
- V. Draft cost containment policy
- VI. Credit Control and Debt Collection Policy
- VII. Policy on Indigent Customers 30 June 2022
- VIII. MMM travel management policy
- IX. Principles and Policy on the writing off of irrecoverable debt 30 June 2022
- X. Property Rates Policy 2022/2023 for implementation 1 July

C. GENERAL TARIFFS 2022/2023 – 2024/25

D. CAPEX BOOKLET 2022/23 – 2023/25

E. CENTLEC (SOC) LTD

1. MTREF 2022/2023 Narrative Report
2. Annexures
3. Policies
4. SDBIP 2022 2023
5. Business Plan 2022/2023

As minuted above.

NOTED.

108.	CLOSING OF THE SPECIAL COUNCIL MEETING
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The meeting officially closed at 20h10.

SECRETARIAT UNIT
COMMITTEE SERVICES