

CONFIDENTIAL



**MINUTES
of a
SPECIAL MEETING**

**MANGAUNG
METROPOLITAN
MUNICIPAL COUNCIL**

**COUNCIL CHAMBER
FIRST FLOOR
BRAM FISCHER BUILDING
BLOEMFONTEIN**

**THURSDAY
JULY 22, 2022
AT 10:00**

**MANGAUNG
METROPOLITAN
MUNICIPALITY**

**MINUTES OF A
SPECIAL MEETING
of the
MANGAUNG METROPOLITAN MUNICIPAL COUNCIL
held IN THE COUNCIL CHAMBER, FIRST FLOOR, BRAM FISCHER BUILDING
BLOEMFONTEIN
on
THURSDAY, JULY 22, 2022
at 10:00**

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	Absent without apology
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	Absent without apology
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 (Lebohang Lerato)	DA	
34	Cllr Mokoena (John Itumeleng)	AASD	
35	Cllr Mongale (Mojalefa William)	AASD	
36	Cllr Monyakoana (Ntwa Patrick)	ANC	
37	Cllr Moreeng (Kabelo Christopher)	DA	Absent without apology
38	Cllr Njiva-Lebajoa (Mamotse)	DA	Absent without apology
39	Cllr Ntshakazane (Eunice Xoliswa)	EFF	
40	Cllr Phupha (Ntsoaki Agnes)	PA	Absent without apology
41	Cllr Phohleli (Tsholwane Eddy)	EFF	

42	Cllr Ramatlama (Mpho Joseph)	EFF	Absent with apology
43	Cllr Rampai (Pule Joseph)	ACDP	
44	Cllr Rasoeu (Lempe Ernest)	DA	Absent without apology
45	Cllr Sebolao (Jankie Elisha)	EFF	
46	Cllr Shale (Nkahiseng Reginah)	EFF	
47	Cllr Snyman van Deventer (Elizabeth)	FFPlus	
48	Cllr Terblanche (Arthur Phillip)	DA	
49	Cllr Thomas (Johannes Beleme)	EFF	
50	Cllr Thompson (Mare-Lize)	FFPlus	
51	Cllr Thwala (Zwelinjane Jonathan)	DA	
52	Cllr van der Merwe (Rulhof)	DA	
53	Cllr Viviers (Benhardus Jacobus)	DA	
54	Cllr Vorster (Braam)	FFPlus	Absent without apology
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 Moiloa (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	Absent without apology
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	Absent without apology
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	Absent without apology
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	Absent without apology
91	Cllr Dintlhwane (Mantja Agnes)	ANC 41	
92	Cllr Mothupi (Maqoma Lazarus)	ANC 42	Absent without apology
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	Absent without apology
100	Cllr Lelala (Makoa Cristophel)	ANC 50	
101	Cllr Mohulatsi (Mamoorosi Margaret)	ANC 51	

GUESTS

1. Minister of Finance
2. MEC: Finance
3. MEC: CoGTA
4. National Treasury
5. National Treasury
6. National Treasury
7. National Treasury
8. CoGTA
9. CoGTA
10. Treasury
11. Treasury
12. Treasury
13. GCIS
14. GCIS
15. Ntiyiso Consulting (Pty)Ltd

- Mr E Godongwana
Ms G Brown
Mr M Dukwana
Mr J Hattingh
Mr L Mapholoba
Mr E Ngomane
Ms M Ngqaleni
Ms Z Losabe
Ms LM Mokheseng
Ms MA Sesing
Mr S Mhlambi
Mr R Cheti
Ms Y Blom
C Mothibi
Mr Z Gwebityala

16. Ntiyiso Consulting (Pty)Ltd
17. Ntiyiso Consulting (Pty)Ltd
18. Ntiyiso Consulting (Pty)Ltd

Ms S Beswick
Mr S Mewalall
Mr M Holeni

OFFICIALS PRESENT

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

Mr T Motlashuping
Mr T Sediti
Mr W M^cleod
Ms N Mabunda
Ms NR Mosehana-Dumisile
Mr KI Kgamanyane
Adv N Mpangane
Mr F Nel
Mr XC Manyungwana
Mr M Sekoboto
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).

INDEX

ITEM NO	ITEM	PAGE NO
137	OPENING	5
138	NOTICE OF THE MEETING	5
139	APPLICATIONS FOR LEAVE OF ABSENCE	5
140	ACCEPTANCE OF THE AGENDA	5
141	ANNOUNCEMENTS	5
142	ENGAGEMENT WITH THE NATIONAL TREASURY AND COGTA	
1.	INTRODUCTIONS	6
2.	OPENING REMARKS: MINISTER OF FINANCE	6 – 6B
3.	INTRODUCTION OF INTERVENTION TEAM	6C
4.	PRESENTATIONS	6C
4.1	SETTING THE SCENE: NATIONAL TREASURY/MALIJENG NGQALENI	6C
4.2	S139 INTERVENTION FRAMEWORK: NATIONAL TREASURY/KAVITHA RUPLAL	6C
4.3	STATE OF AFFAIRS: NATIONAL TREASURY/SIFISO MABASO <ul style="list-style-type: none"> • Governance • Institutional arrangements • Service Delivery • Finance Health • Final Take Away/ Summation • Recommendations NATIONAL TREASURY/MALIJENG NGQALENI	6C
4.4	QUESTIONS FOR CLARITY	6C – 6M
5	REMARKS: EXECUTIVE MAYOR	6M
6	CLOSING REMARKS: MEC: FINANCE/ MEC COGTA	6M – 6O
7	CLOSING OF THE SPECIAL COUNCIL MEETING	

5
MINUTES
(OPEN COUNCIL)

137.

OPENING

The meeting commenced at 10h05.

The Speaker officially opened the meeting and welcomed all Councillors and the Minister of Finance, the MECs of Finance and CoGTA, all officials of National Treasury and CoGTA and all officials.

NOTED.

138.

NOTICE OF THE MEETING

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

NOTED.

139.

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.

140.

ACCEPTANCE OF THE AGENDA

Cllr MJ Mabena move for the adoption of the agenda and was seconded by Cllr LM Titi-Odili.

Cllr CF Rampai requested that Council be provided with all the resolution of Council and the implementation thereof.

NOTED.

141.

ANNOUNCEMENTS

The Speaker reminded Councillors of taking into account the Standing Rules and Orders when applying for leave.

NOTED.

1.

INTRODUCTIONS

2.

OPENING REMARKS: MINISTER OF FINANCE

The Minister of Finance remarked: “Honourable Councillors, on behalf of National Government and as a Minister of Finance, I will like to congratulate you on the new election as the new Municipal Council of Mangaung Metropolitan Municipality in the sixth term local government administration.

Unfortunately your term coincides with formidable challenges faced by the Municipality; challenges that most must urgently be addressed. The fifth term ended poorly with the performance of this and many other municipalities in this Country in an undesirable financial state, specifically the Mangaung administration had been under administration, the administrative intervention in terms of Section 139, subsection 5 (a) and (c) of the Constitution.

But despite such intervention no visible improvement can be found in your financial and service delivery performance. It is this situation that has necessitated that a more severe mode of intervention be put in place, in order to protect communities and people of Mangaung and to improve the financial and service delivery performance. This is the first Metropolitan Municipality to experience this severe level of financial and service delivery distress.

While this service delivery in this Municipality has deteriorated over the years, it has accelerated in recent period and therefore necessitated a more intensive level of intervention. The interphase between political and administrative leadership needs to be improved if this Municipality is to be stabilized. I think part of the difficulty which you have, you don't do what is called “*keeping in your lane*” as politicians and as administration, those lanes are not the same, there is too much lack of interphase etc and therefore politicizing unnecessary the administration.

Councillors you will be aware that in our democratic government, provisions are in place to deal with political and administrative infighting as well as factionalism especially when these continued to impede service. It is disheartening to see roads riddled with potholes, with little effort made to speedily execute the required repairs. For too long basic and critical infrastructure has been allowed to fall into state of despair, this is an obvious sign of Municipality's dysfunction that has feasted at under the previous Municipal Council. This is extremely disappointing given the massive potential that this Council has, to deliver quality services and uplift the people of Mangaung.

I stand here before you, the new Council which has been in office for a period of six (6) months since the November 2021 local government elections, pleading that you put the interest of the community first, the welfare of the people must be a priority. You should not use the privileges and powers of the leadership position that you have been elected to for other interests or personal gain. You should do your utmost to uphold the values of the Constitution and the sanctity of political power.

6A

During the recent past few months reports have been shared with me that indicate the business and functionalism is rife in this country that is the points indicate that key decision of council are not taken due to any internal division for example the budget of the Municipality was only approved at the third attempt instead of being adopted as per the legal requirements for the 20th of May 2022 this does not inspire confidence in our ability to govern it also signs the royal warning signals to investors.

Councillors for the successful implementation of the financial recovery plan supporting guidance is needed there must be an attitude by the leadership that invest it's energy in the core service delivery initiatives the basics right and you can achieve great things.

The Council is in the position to get this Municipality out of the current dysfunctional state, and must concentrate on positioning as a trust worthy performance geared and a carrying instrument of the people's will.

This is an enormous task however the right political attitude and willingness to change the current dysfunctional city and full implementation of the financial recovery plan this Council is poised to make rapid improvements, honourable Councillors many reasons are given to explain why this particular sphere of government continues to fall short of its mandate.

Annually the auditor general lays out in painful detail the deterioration of financial and service performance in Municipalities this crisis persists despite support from provincial and national government to build and bolster the checking capacity of Municipalities, it is clear that from these reports that many municipalities lack required skills and competence and political will.

It falls on you as a Council to exercise decisive leadership and ensure that you recruit a competent City Manager. It is also your responsibility to ensure that the direct reporters to the senior manager are equally competent. The processes must be in place and be followed to ensure that you do not compromise on the required skills and competencies necessary to enable positive change in this Municipality. It pains me to say that, despite reports given on the performance of the Municipality during the previous financial year by the Auditor General, many continued to flaw callously to prescript such as the Municipal Finance Management Act, failure to comply with the law and your responsibilities, while exercising your duties is unacceptable. I ask myself what kind of laws are passed which people can flaw? I may not have the power to deal with any person in the municipality, but I'm investigating other legal instruments, including suing people for unauthorized expenditure.

Councillors are elected and deployed in positions of leadership in municipalities, to improve the qualities of lives of communities. If your attitude and agenda is not aligned to national interest, that is providing service to communities, then perhaps the time is right to consider whether being a local political leader is what you should be doing for the next five years.

Today, I am coming here, following the foot step of my colleague, Dr Nkosazana Dlamini-Zuma, the Minister of CoGTA, who came here to launch the Section 139.7 *national intervention*.

6B

I bring the National Cabinet Representative and supporting team. Their primary responsibility is to stabilize the Municipality by ensuring implementation of the Financial Recovery Plan (FRP) on behalf of the cabinet. The team is here to ensure that the financial and service delivery problems in the Mangaung Metropolitan Municipality are dealt with.

In this regard, the cabinet has appointed a team from Ntiyiso Consulting led by Mr Paul Maseko, to help the Municipality on its road to recovery. The team has been in the local government space for a number of years; in fact Mr Maseko has been a Municipal Manager in Ekurhuleni. He is bringing his experience and expertise, and along with your unreserved support and willingness to implement the FRP, they will ensure improvement of the financial and service delivery for the better.

As National Committee Representative, Mr P Maseko has delegated authority to oversee this intervention on behalf of the National Cabinet. It is important to emphasize that the process is already underway to obtain the existing FRP and set new targets and time frames for the implementation of FRP activities. The Municipality must implement this financial recovery programs, activities and strive to meet targets and timeframes as set. Mr Maseko will oversee this process, and he will provide regular updates to Council and the cabinet on progress made and any 'blockages'.

We will also ensure that every decision made in this Municipality, is in full compliance with the FRP. I will emphasize what has already been stated in the terms of reference (ToRs) of this intervention. The Council's approved system of delegation remains applicable subject to the limitation expressed/stated in the ToRs. The National Cabinet Representative in executing his responsibility, will consult with you, Madam Speaker, the Executive Mayor and the Municipal Manager depending on the nature of the subject of the matter.

The role of the Technical Support Team is to provide fulltime strategic support and expertise to the National Cabinet Representative within the context of the approved FRP. Honourable Councillors, I will now allow the team which headed by the DDG, Ms M Ngqaleni, who is the head of our intergovernmental relations to present inputs to you, to empower you as a collective, in order to have a better understanding of the background that have led to this intervention. Secondly the presentation will provide you with clarity, on the logic and theory behind Section 139 interventions and lastly, let me also thank the team that is deployed by the Department of Cooperative Governance and some national sector departments to stabilize the administration and interim national cabinet representatives and the acting Chief Financial Officer who is deployed by National Treasury for the good work done to date, to clean up the City, to deal decisively with the abuse of overtime. I wish you very success in your roles as the leadership of this institution. I thank you, Madam Speaker."

NOTED.

**3.
INTRODUCTION OF INTERVENTION TEAM**

**4.
PRESENTATIONS**

Attached hereto is the presentation lead by the DDG, Ms M Ngqaleni to cover items 4.1 – 43.
(Pages 1 – 69)

**4.1
SETTING THE SCENE: NATIONAL TREASURY/MALIJENG NGQALENI**

**4.2
S139 INTERVENTION FRAMEWORK: NATIONAL TREASURY/KAVITHA RUPLAL**

**4.3
STATE OF AFFAIRS: NATIONAL TREASURY/SIFISO MABASO**

- Governance
- Institutional arrangements
- Service Delivery
- Finance Health
- Final Take Away/ Summation
- Recommendations NATIONAL TREASURY/MALIJENG NGQALENI

**4.4
QUESTIONS FOR CLARITY**

Cllr JC Pretorius:

- That as the official opposition, they were happy that National Treasury has made some plans to assist National Intervention Team however the first three months, they had seen little to no change in the financial situation and the service delivery issues in the Municipality.
1. that with the new consultant experts that will be assisting the National Intervention Team, whether they had any political affiliations to any political party and will they be strong enough to discard any political interference they might get from the executive as that was still a big issue in the Municipality?
 2. That with the view to fix the FRP and implement it, how would the intervention team and the consultants make sure that the service delivery issues are not put on the back-burner because in the last three months, that had been the reality and officials were still struggling to get material to fix some simple service delivery issues?
 3. That, assuming that the intervention team with the consultants succeed and they all hoped that would be the case for the benefit of residents of Mangaung, will the National Treasury send a bill to Mangaung for the money spent on these consultant experts thereafter?
 4. That after Council resolved to criminally charge the previous HoD: Corporate Services and two officials from the Corporate Services, when will this be implemented and now the ghost worker salaries from January amounted to R29 million?

6D

5. that, even after three months when the National Intervention Team took over, there is still no improvement in the government department debt, which now amounted to over R2 billion, when will this money be recovered?
6. That when will vacant position of the City Manager of the Metro be filled and it must be by a professional who does not have any political affiliation. That as official position opposition, they had four issues/ points that could assist to fix the Municipality:
 - i. to at least recover the government debt owed to this Municipality,
 - ii. fix the salary bill,
 - iii. appoint a professional City Manager with no political affiliations and
 - iv. to criminally charge corrupt officials.

Cllr FR Botes remarked: “Thank you, Madam Speaker. I would try to offer support to the National Team and the officials and see what we can do to better to remedy the whole situation of finances. We are in a financial crisis and if I can mention one item where there is a lot of service delivery that need to be dealt with, water. Section 27, it is quite clear it is a must; for the last five years according to the Auditor General’s report, we lost R1.154 billion. We just heard now from the presentation that, maintenance must be around 10% and we are on average of 2%, can you imagine how bad the water situation is. If we were in a much better position, we would have covered all the water loses. Thank you, Madam Speaker.”

Cllr DMC McKay remarked: “Good afternoon Minister. I have a few questions:

1. That we currently have a fleet we are now hiring, vehicles of million of rands instead of repairing the vehicles that we have. Fleet is the background of the Municipality if there is no Fleet Department, it would not help even when we have ground workers, because they cannot get to the place or might not have the machines to do the actual job.
2. That the main reasons why repairs are mentioned on water losses, it is because we do not have parts. Either because procurement takes long or they have not paid the supplier. It cannot be right that we have a leakages that should have taken half a day to be fixed.
3. That in Mangaung, the roads are in such a devastating state, we cannot even get to town. In the last 10 years, these roads have not received maintenance, farmers cannot get their produce to the market and workers cannot get to town.
4. That in Fauna, the Vereeniging bridge/road was paid by the grant and it is halfway complete but the road that is joining the two, the industrial road it is still closed which therefore causes traffic congestion and causes residents an extra 30km round trip and it also blocked the main route towards the landfill site and thus causing illegal dumping. If the road is reopened, it will stop all the illegal dumping. We cannot understand why the road has not yet been opened and why the contractor has not been paid because it is grant funding.

6E

CIlr T Van der Walt asked the following questions:

1. That he wishes there could be more officials addressing the Council in order to get the real situation. Whether the Executive Mayor, the Speaker, the City Manager and the National Representative were having meetings, weekly?
 - That page 3 of the presentation indicated that the Mayor is the couch, therefore if the couch is not meeting with the rest of the team, how would we go forward?
2. How can the intervention succeed, if the Mayor was not hands-on, driving the intervention process on a daily basis.
 - Whether Council had taken any decisions, that were not in line with FRP since the national intervention started and if so, why was Council not informed?
3. That page 23, explained the concept of the funded budget, and how it is realised. The intervention team was already on the wrong track regarding the FRP, as the National Treasury has stated that the budget tabled by the intervention team through the Executive Mayor is not sustainable, how will the intervention team succeed, if already they disregarded the MFMA?
4. That service delivery is getting worse as mentioned, in the current budget approved, how much is for the repairs and maintenance, staff cost and materials because in previous years when one looks at the Treasury's website, according to the reports, only R19 million of the money budgeted for repairs and maintenance, were for materials, the rest was for staff costs, the same staff sitting at the Depot or at home because they do not have trucks or materials. Therefore, it would not help to budget money and its on staff cost but the staff don't have the material to do the work or they refused to use that material provided.
5. That the presentation on issue regarding waste management: this week, in a lot of areas, waste had not been picked up because workers were not willing to work with trucks provided.
 - What would be done to improve waste management as a matter of urgency?
 - What will be done to workers who did not want to work with trucks provided?
 - Would senior politicians still be allowed to protect staff when they are taken to task for the wrong actions they are taking?

CIlr CF Rampai remarked as follows: "Thank you, Madam Speaker. It seems that the Minister of Finance and the Minister of CoGTA are working in silos, it is now three months later when the Minister of CoGTA was here and now a new team will be joining the team which the Minister of CoGTA has introduced. How is the Minister going to ensure cohesion between his team and the team of the Minister of CoGTA? it has been three months now, can we say it has been wasted because there has never been a report presented to this Council as per the ToRs which clearly states that *every month* a report will be provided. Can we say, these past three months have been wasted with additional cost and therefore, who is going to pay for this?"

The team that is coming, it is a very huge team including the consultants. Who is going to pay for them and will it be from Mangaung budge because we do not want to experience what happened when the Minister left the Municipality with a team from CoGTA which we now have to provide bodyguards for, and pay for the hotels and all other expenses. We do acknowledge that the Municipality does not have money but then money will come out of Mangaung.

Minister, one of the presenters had stated that, they are going to make an experiment with Mangaung, where was this tested, to give us a bit of confidence that this might lead us somewhere. *What was Section 139 saying, it is still not understood? Does it say we will use a consultant to come and run a government and where are we basing our decision on, to take a consultant, a private company/entity to come and run a public company? Can we have reference from the MFMA or the Constitution, that this decision was based on the law. Lastly, after all this, can this Council be afforded and opportunity to add on the recommendations? Thank you, Madam Speaker.*"

Cllr NP Monyakoana made the following contributions:

- That the Minister of CoGTA said that Mangaung would be the first or the second municipality where National Government had sent an intervention; that it was because CoGTA was taken to court and secondly, whether the intervention assisted or not. If it is not the first Municipality, where did they intervene and which Province/Municipality asked for intervention?
- That the R840 million returned grant, was it true?
- That the issues raised by the team, Councillors were aware of them, and that did not mean that the Council was not doing anything, the Council have been fighting in that regard. Should this intervention assist the Municipality to get off this challenge, would the money be returned to the Municipality?
- That could the intervention review the budget of the Municipality taking into account that Mangaung is surrounded by rural areas?
- That Council tried to hold people accountable, by ensuring that the money of the Municipality was returned to address issues such as water, housing however consequence management have not been implemented.
- That challenges between Bloemwater and Mangaung should be resolved, as this poses serious issues should the Municipality don't pay, the communities suffer. That after the National Treasury intervention on the matter, it was agreed that tariffs miscalculated and that the Municipality owed R700 million however when one check the report, the Municipality was back at owing R1 billion because someone misled the Council saying that in the next three months, the debt will be paid.
- That it be noted that the previous intervention team did not submit any report to Council, not even the FRP was tabled. The current intervention introduced, they just came in without been given a report.
- That Provincial Government debt kept growing and if one checks the budget of Macufe, it was approximately R285 million, they owed the Municipality more than that however they were not willing to pay, and Council was not sure whether the intervention team that has been introduced will be able to collect debt/money owed to the Municipality. The residents water/electricity were switched off when they do not pay, and this takes place whether they employed or not or indigents but for the Provincial Government, nothing was done. That the intervention team was expected to work on the recovery plan and as Councillors they would give them 100% support.

Cllr LM Titi-Odili commented as follows: “Thank you, Honourable Speaker. I want to appreciate the report from the Minister and the Intervention Team that outlined what exactly is happening in the City as Council had never received a recovery plan. Mr Sifiso Mabaso explained in terms of the funded budget and that the Council’s budget was funded but not sustainable thus making Councillors question what is exactly meant when it is said that the budget was funded but not sustainable, if it was funded or not. That the norm for the collection rate was 95% however Mangaung only collects 79%.

The Auditor General in the last audit, their finding was that the Municipality’s Impairment Policy was not in line with GRAP 104 and indicated that the Municipality did not evaluate the government debt for impairment however we want to bring the item to Council to include the government debt for impairment. That the Municipality was contravening on GRAP 104, 58 and 62. Previously, an item was brought to Council, that all government debt must be paid however the businesses took the Municipality to court. That if the item is brought to Council, it would assist the Municipality to deal with the findings of the Auditor General to make sure we get an unqualified audit.

All sections were explained in the presentation, however it was not explained why the Municipality went from Section 139(5) to Section 139(7).

Will it be possible for the National Government when allocating equitable share to the Provincial Government, the amount they owed to Mangaung be transferred to the Municipality to ensure that they dealt with the issues Councillors were worried about? That as the Municipality was in the financially status that it was in, will it then not be possible for Council to do a Ward-based? Thank you, Honourable Speaker.”

Cllr TP Moiloa stated that the purpose of putting the Municipality under Section 139 was for the financial recovery and for improving service delivery however, the previous intervention did not improve service delivery. That they were happy about this intervention but to caution, the officials from National Treasury should not then become politicians as this destroys the Municipality. It should not be correct that Councillors and officials would also be doing business with this Municipality. That he understood when it had been indicated that the Municipality had electricity loses but with a population between 700 000 – 800 000, the Municipality managed to help 200 000 – 400 000 households therefore whether the loss of electricity was through the illegal installation?

Cllr MW Mongale commented:

- That the Minister of CoGTA, Dr Nkosazana Dlamini-Zuma, who came to Council, gave an assurance that, the people who were sent to the Municipality would be given performance contract and employment contract however to date, there has been nothing submitted to Council in that regard. The Council also raised issues regarding the ToRs, that an induction should be given to Councillors, and Council still sit with contradictions where officials/residents don’t know whether the powers are with the Minister or Council, because the Council was not dissolved due to fact that when the Acting City Manager has to make a decision, he would state that he has to get a go-ahead from National, therefore there is a confusion of roles which should be properly clarified.

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- That he was happy that the MEC of Finance was in attendance, because the previous time when she was in Council, she was very agitated with regard to the bill of the Province and National which was about R2 billion. She stood up and stated that it was not that actual amount, but it should be put on record that it was now beyond R2 billion. There was no effort nor intension from the Provincial Government, especially the MEC of Finance for supporting the Municipality with regards to the recovery plan as the Municipality is owed by the same Provincial Departments and the Minister of CoGTA did indicate that when they do not pay, Mangaung must switch off.
- Why was there such a big interest in Mangaung when other municipalities did not even have the capacity to pay salaries, but all eyes are on Mangaung as if it is the worst in the Province?
- That the issues with the vehicles have been raised with MEC of Finance but nothing has been done.
- That the Municipality had to also deal with the high salary bill of the bloated staff which exceeded that of Buffalo City, it is not bloated.
- That unfinished projects such as the Moshoeshoe road be dealt with.
- That Councillors were informed that the people sent to assist Local Governments were specialist however their actions did not show that they indeed understand Local Government.
- That it was previously raised that some Councillors were not competent as they would allow the budget to pass without even considering their Wards however when the community fights them in that regard, it is then that they would demand a Ward based budget, therefore emotions should not prevail where logic should prevail.
- That if the recruitment process of appointing the City Manager was done properly by the team sent by Minister, Council would be having a City Manager. It seemed like the Acting City Manager was comfortable with position, that he did not want anyone to occupy it.
- That a resolution was taken with regards to the appointment of the Ombudsman, until date, no appointment has been made.
- That the root cause of the problems in Mangaung was not what it had been said but corruption was the elephant in the room hence no one is committed.

Cllr VE De Kock remarked: "Thank you, Madam Speaker. Referring to the presentation and just attempting to assist the residents of this Metro, there seems to be never ending service delivery complaints. We do recognise that this Metro is in a serious financial crisis. We as the Freedom Front Plus need to know if this team of doctors, did all the necessary tests and investigations to provide the Municipality with the effective prescription to heal this very sick Metro?"

Will the new FRP be drafted or will the FRP from Provincial Government be adopted again? And if so, wouldn't this FRP not be outdated, taking in consideration that a lot has changed since it was implemented by Provincial Government in 2019, we had covid with its devastating consequences, increase in inflation and interest rates and overall a complete change in the financial circumstances of the Country and a serious decline in financial abilities of residents? A new budget with new challenges to mention a few.

Will the intervention team work with Councillors in implementing the FRP and what steps will be taken to ensure that consequence management will be enforced?

How often will the Cabinet Representative report back to the Council on the progress for Council to be able to fulfil its obligations towards the FRP? On the slides it is indicated that it is a six to eight on a 24 month process. It has been three months since the National Government took over, what is the estimated time-frame for this intervention process?

Can we urge the Minister to prevent the spending of approximately over R10 million a year, over a five year period on salaries for eight employees as advertised on local newspapers this week? Is it fair to our overtaxed residents to pay a single person over R90 000 per month. Huge salaries for political appointments cannot and should not be part of a FRP. Why is there a need for additional advisors to the Executives, can the scope of the Chief of Staff not include the qualifications needed for an advisor?

The application for the appointment of the City Manager closed on the 6th May 2022 and already, it is at the end of July but no appointment has been made, what seems to be delaying the process? We as the Freedom Front Plus, can only wish that this is not again, a nice on paper plan and that all parties involved in this process will work as united team for the betterment of the Metro and that corruption and self enrichment and no care element be punished to the full extend. Thank you, Honourable Speaker."

Cllr BJ Viviers remarked as follows: That in the presentation, the Minister had stated that it was important that Council accept its responsibilities and therefore, was the Minister and the MECs aware of following:

- i. That in terms of the Section 52D of MFMA, the Executive Mayor have to submit quarterly report of the implementation of the budget before Council, a month after, but that report for the 3rd quarter was only submitted on the 30th of June 2022, therefore, how should Council then be expected to do its oversight?
- ii. That the MEC of Finance was aware that National Government and Provincial Government owed the Municipality over R2 billion and that report was signed by CoGTA representative/s in April 2022.
- iii. That as the Municipality was now under national intervention, whether the report was signed off before end of April, and shouldn't they have urged that the Executive Mayor table it before Council?

Cllr MI Mokoakoa commented that page 60 (point 9) stated why the Municipality was placed under national intervention due to poor management, poor revenue collection, that the indigent register which was not up to standard and creditors not paid on time.

The Executive Mayor responded to some questions raised by Councillors as follows:

- That the presentation stated that the challenges in Mangaung dates back to 2011/ 2016 term however no mention of the four loans taken by the Municipality during that period of which the Council had been making huge repayments since 2016 to date every month, therefore hampering services that should be rendered.
- That R800 million was taken from Mangaung thus causing unfinished projects such as the Sterkwater Water Treatment Plant, such projects which supposed to benefit the ordinary people and that was the mistakes made by officials who did not implement the projects on time. Therefore, a request was made to get some of the money back.
- That it was not correct for the MMC Finance to mention what had been discussed at Mayco with regards to the GRAP standard as MMCs were supposed to advise the Executive Mayor to make a decision. That during the term when he was the Speaker of Mangaung, he received a letter from Mr Freddy Kennedy which there was an item that was about the Provincial Government wanted the Municipality to write off some of the debt and they said it is prescribed. Deliberately they did not budget for the payment of Mangaung, their budget was not in order. The item was submitted in Mayco but I told them I don't see this item being presented in Mayco and has far reaching implications, the MMC, Chief Financial Officer and the Acting City Manager to advise because the debt of Bloemwater is not prescribed, why should the debt be prescribed of Provincial and National Government?
- That as Councillors, they made a promise that all Section 52 reports will be on time, and a request have been made to have a Council on Tuesday, the following week to deal with quarterly reports ending June.
- That on Moshoeshoe road, a contractor has been appointed to finish the road before the end of October 2022. That he was pleading with the intervention team to prioritise sealing of potholes in Mangaung. That when the Minister of Transport Mr F Mbalula was in Mangaung, he offered to assist with stormwater drainages, and potholes; what was needed was to just sign a contract.
- That the Auditor General's report also highlighted loss of water and electricity, and SETA indicated that they will assist in appointing young people to be trained on different skills to assist in this regard and the Acting City Manager and Mayco will be tasked to engage with Centlec with regards to electricity loses.
- That the Team led by Mr E Maseko assisted the Municipality, but hoped that current team would address the ills of Mangaung and do all they can to redeem the Municipality from all these challenges hence they had a meeting with all political parties and requested that they come up with suggestions to assist the Municipality deal with its challenges. That even though not all challenges would be dealt with in the current financial year however the progress that would be made, would make the communities of Mangaung to smile.

The Office of the Minister responded that with regards to cost for the Intervention Team, Council need to draw distinction between the administration, of which their contracts were expiring and Council did not have any plans in replacing them and for as long as Council had not yet appointed the City Manager nor HOD's, the officials from CoGTA and Treasury would be in Mangaung. The Intervention Team is then responsible for overseeing the implementation of the Financial Recovery Plan and the contract given to the team is 12 months and National Treasury would be incurring the costs as part of support. That Councillors should take cognisance that the intervention was actually not 12 months, it would be continuous as other issues would take time to be resolved/implemented hence the phases which could take up to three years.

Mr J Hattingh from the office of Minister responded as follows on questions and comments raised by Councillors:

- That with regards to the question on equitable shares of the Province, whether it could be circumvented to pay the cost for the outstanding debt to the Municipality – the answer was no which meant should such be allowed then other entities would do the same e.g. Eskom and Water Boards. In terms of how the Constitution had been designed, the province as well as the municipality, were entitled to equitable shares and the Municipality must utilise other provisions made in terms of laws/regulation on payment arrangements.
- That with regards to the Ward based budgeting, that Treasury had undertaken a strategic development review years ago to assist the Metro to design a strategy and vision; and therefore, the Council needs to have a crystal clear vision and strategy and the budget must also give effect to that and Council should take ownership thereon. The Ward based budget would then mean each Ward Councillor would want their projects/service to be a priority hence Council should be cautious on this matter.
- That on the R800 million, the Executive Mayor did not disclose that there were specific conditions in terms of Division Revenue Act, that the Municipality had to meet and unfortunately the then Council used the funds to pay for salaries which was against the law, hence National Treasury recalled the funds.
- That the term that the budget was funded but not sustainable, related to, for example: if a collection rate was at 79%, the expenditure must match that amount. The Municipality cannot spend 100% of the budget whilst they know they would only collect 80%. What it means to have an unfunded budget, the Municipality would set aside for itself for cashflow crisis before the start of the financial year. Therefore, the budget has to be conservative, realistic and aligned with the ability to collect revenue. The Municipality must also be able to pay creditors within 30 days as prescribed by the law.

That the budget was funded for the current year, however going forward, if the Municipality did not curtail the expenditure and not up the revenue levels, there would still be a deficit.

- That there was only one institution to prepare for the FRP and it is the National Treasury although it has been prepared under the leadership of the provinces imposed in the Municipality. That the FRP was mandatory however the implementation thereof, would be the Municipality.

The MEC Finance, Ms G Brown responded:

- The breakdown of the debt of the Province was as follows:
 - That the (Free State Provincial Government (FSPG) owed Centlec R234.3 million
 - Rates were R257.9 million
 - Services were R412 million
 - ***The total was R905 million***
- That the total debt for Mangaung in terms of the documents sent was under R9 billion which constituted 10% of the collection that the Municipality should be making.
- That for schools, she had advised that as it was transferred out from government to SGB, therefore the schools owed the Municipality R573 million.
- That the FDC is a business entity to government, they owed R350 million and therefore, she would then engage the MEC DESTEA on the matter.
- That the National Government owed R237 million and therefore this matter be in writing to clarify that the FSPG owed the Municipality over R2 billion.

This debt that the FSPG took over in 2019 was there since 2007, which was linked to a Soweto matter that was promulgated in terms of the intergovernmental relations and payments and that matter was never resolved and FSPG carried the debt since 2007. The total debt for the FSPG owed to all municipalities was R3.6 billion and it was now R1.9 billion. Therefore the FSPG have paid every single municipality in the Free State to date and only owed Mangaung Metro and Maluti-A-Phofung Local Municipality. The FSPG have been paying current account since 2019 and not missed any payment on current accounts.

The FSPG spend R3.7 billion (31%) of infrastructure funding in Mangaung Municipality, and dedicated R938.3 million of conditional grants to Mangaung Municipality. Furthermore, Mangaung Municipality owed the Government Garage approximately R90 million.

That it was about time that all must stop passing blame and hold themselves accountable to ensure that the municipalities were financially healthy, have good governance, encourages growth in the economy and translate to material conditions on the ground. That as leading government, each sphere needs to be professional and be responsible for things done and hold senior managers accountable for performance agreements, manage the discipline and ensure that the Municipality worked.

That only 41% the ICDG grant was spent, and yet the Municipality complained that the Provincial Government was not doing anything however the Municipality cannot even spend its own grant funding and Council operated under the law legislated and all spheres have to abide to that with the premise that the Municipality needs to serve its constituencies.

That Council cannot be complaining about reports that are not forthcoming, if they were not meeting regularly. That when the City Manager submit reports, Councillors would discourage the sitting of the Council as they did not want to deal with a specific report, than the Council should not complain to say they do not receive regular reports.

The Deputy Executive Mayor raised a point of order that it cannot be correct that the MEC Finance states that Mangaung did not hold Council meetings regularly. Mangaung was the only metro having meetings and even went beyond the numbers expected to hold meetings.

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Furthermore, it cannot be correct when the Council had asked about the Section 154 which was supposed to come first before this intervention and what the MEC has presented, should have been done before the two Ministers came. Therefore, the Council cannot be blamed for FSPG negligence, that the Municipality went down spiral. Indeed the FSPG knows the owed the Municipality and the Municipality also know that they owed the Government Garage, why then this done before the National Intervention and the challenge faced by Mangaung was due to the type of leadership in government.

NOTED.

5. REMARKS: EXECUTIVE MAYOR

None.

NOTED.

6. CLOSING REMARKS: MEC: FINANCE/ MEC COGTA

The Minister in his closing remarks commented as follows:

- That he was talking to the MEC of Finance in KZN, with approximately R140 billion and eThekweni Municipality R55 billion and if the two could cooperate in managing, imagine if they were to be merged how much impact they would have on the communities. If same would apply in Mangaung Metro and the Provincial Government, they would have a serious impact as well.

Political Interference: A point was made on political interphase where everyone knows their lane. Part of the difficulty was that, 70% of challenges in most municipalities, was political and it was even reflecting in the Zondo report, that 70% of the problems in municipalities were political.

That the Council of Mangaung still have its powers to do oversight and if Council is dysfunctional and factional, then the intervention will not be successful and it would be imperative that parties instil political discipline, the intention was to professionalise the administration of the Municipality and not to politicise it.

- That he had been informed that there were ghost workers and also those who do business with the Municipality illegally, therefore, all of these allegations need to be substantiated and given to the intervention team.
- That the increased salary bill was a problem and such issues are dealt with through structural adjustments and on the City Manager's appointment, the Council must interact and ensure that the position is professionalised in order to run the administration of the Council.

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- That Councillors should refrain from saying that there was corruption while they do not have facts and if they do have facts but not sharing it, it meant that they were also committing an offence.
- That Council was allowed to add to the recommendations for implementation (Page 60 of presentation).
- On the response to why Section 139.7 and not 139.5; that Section 139.5 has been implemented in Mangaung since 2019 and nothing had improved. The FSPG wrote to national to intervene hence Section 139.7 is now imposed on t Mangaung.
- That there was no way that Mangaung would receive back the conditional grant that was not spent accordingly and should it be allowed for Mangaung then that has to be applied throughout all spheres of government.
- That if the government departments do not pay their Municipal Services, Council should shut them off from receiving the water and electricity services and the Municipality is fully supported on that. With regards to the National Government, they can even be given 10 days to pay their debt and a copy of the letter be forwarded to him.
- That during the Presidential imbizo, he did go to Moshoeshoe road and residents raised a lots of dissatisfaction with regards to its completion, and therefore it has to be sorted out.
- That the intervention team had vast experience on local government, they were specialists in that field including the TLC (Transitional Local Council) period.
- That indeed corruption was the source of the problem however the people had to flood the intervention team with evidence in that regard in order for it to be effective.
- That in Matjhabeng Local Municipality, they had spend about R10 million per annum on consultants to produce Annual Financial Statement for the Auditor General, the Municipality themselves did indicate that it was unacceptable. They had then developed and employed CAs (Chartered Accountants) which worked far reasonable for them. So, it was crucial for Council to come up with cost effective ways to deliver services.
- That Mr Jan Hattingh would not be rotated as he applied for a specific employment in their department. He is a Chief Director responsible for this specific sector and below him, there is a group of people looking at 257 municipalities. There was a whole range of teams that worked under him and reports to him.
- That other issues that had been raised by Councillors were administrative in nature which for Councillors may be irritating but they had to be followed up, such as waste management, staff cost, Section 80 Committee meetings, Bridges, Bloemwater, Macufe etc.

- That a question was raised that officials from national had been in Mangaung for a period of three months and there was no improvement, their duty would be to highlight the things that the management of the Municipality needed to focus on. Their job would be to assist the Municipality and not take over their job/functions.
- That the Municipality was going to see him more every month to ensure that the intervention succeeds and Cllr DMC McKay would take him to the bridge.
- That the pace of his stay in Mangaung, would be determined by the cooperation he/ intervention team receives.

In conclusion, the intervention team need support and Council develop a multi party approach to issues/ challenges of the Municipality and finding solutions. The intervention team was not a political team belonging to any political party, it is a servant of this Council and what they suppose to do, is to ensure services are delivered and report back to Council and Council should be able to report back to his Office when the intervention do no do what they supposed to do as the Minister would visit Mangaung on monthly basis for the coming three months to ensure that there was progress.

The Minister then appreciated comments and inputs from Councillors as well as the opportunity provided to address the Council.

NOTED.

7	CLOSING OF THE SPECIAL COUNCIL MEETING
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Prior to closing the meeting, the Speaker stated that an ordinary meeting was scheduled for the coming week for the submission of reports from the current intervention team. She then thanked the Minister, MECs, Councillors, officials, media and members of the communities for their time.

The Speaker officially closed the meeting at 13h36.

**SECRETARIAT UNIT
COMMITTEE SERVICES**