

CONFIDENTIAL

**MINUTES
of a
SPECIAL MEETING**

**MANGAUNG
METROPOLITAN
MUNICIPAL COUNCIL**

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

**FRIDAY
28 FEBRUARY 2025
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 FRIDAY, 28 FEBRUARY 2025 at 10:00**

ATTENDANCE REGISTER

#	NAME	PARTY	LEAVE
1	<u>Speaker</u> Cllr Mathae (Bongani Lawrence)	ANC	
2	<u>Executive Mayor</u> Cllr Nthatisi (Gregory Mosala Solomon)	ANC	
3	<u>Deputy Executive Mayor</u> Cllr Titi-Odili (Lulama Magdeline)	ANC	
4	<u>Council Whip</u> Cllr Nikelo (Vumile Edwin)	ANC 28	
SECTION 79 CHAIRPERSONS			
5	<u>Rules</u> Cllr Mokgothu (Tona Kenosi Wilfred)	ANC 2	
6	<u>MPAC</u> Cllr Makoloane (Itumeleng Justice)	ANC 36	
7	<u>Petitions and Community Liaison</u> Cllr Morake (Molefi Andries)	ANC	
8	<u>Remunerations</u> Cllr Tladi (Motshewa Martha)	ANC	
9	<u>Public Places and Street Naming</u> Cllr Mogotloane (Thabo Joel)	ANC 39	
MEMBERS OF MAYORAL COMMITTEE			
10	<u>Waste and Fleet Management</u> Cllr Jonas (Vuyelwa Eunice)	ANC	
11	<u>Economic Development</u> Cllr Mosala (Motlhokung Theodorah)	ANC 11	
12	<u>Public Safety</u> Cllr Tsoleli (Sibongile Pearm)	ANC	
13	<u>Technical Services</u> Cllr Soqaga (Vusumzi Simon)	ANC	
14	<u>Finance</u> Cllr Kruger (Caprice Logan)	ANC 16	
15	<u>Planning and Human Settlements</u> Cllr Nhlapo (Ntombi Anna)	ANC	
16	<u>Rural Development</u> Cllr Twala (Pani Sidney)	ATM	Absent with apology
17	<u>Community Services</u> Cllr Qai (Alfred)	AIC	Absent with apology
18	<u>Corporate Services</u> Cllr Letawana (Manthuse Maria)	ANC	

PR COUNCILLORS			
19	Cllr Bothma (Andries Francois)	DA	
20	Cllr Bouwer (Chadwine Lyle)	DA	
21	Cllr Davies (Maryke)	DA	
22	Cllr De Bruin (John Matthews)	PA	
23	Cllr De-Huis (Dikeledi Jane)	EFF	
24	Cllr De Kock (Valerie Belinda)	FFPlus	
25	Cllr Denner (John Henry)	FFPlus	Absent with apology
26	Cllr Dennis (Magdalena Elizabeth)	DA	
27	Cllr Ferreira (Thomas Ignatius)	DA	
28	Cllr Klaasen Raynie Sarah	DA	
29	Cllr Letsoko (Mantwa Sanah)	EFF	
30	Cllr Lipale (Gopolang Jeremiah)	EFF	
31	Cllr Makau (Pitso Elias)	EFF	
32	Cllr Malebo (Deliwe Lettia)	EFF	
33	Cllr Maliela (Motiki Edwin)	DA	
34	Cllr Matobole (Mosala Abel)	DA	
35	Cllr Matsoetlane (Maditaba Joyce)	ANC	
36	Cllr Mogotsi (Mamahlape Elisa)	EFF	Absent with apology
37	Cllr Mohlamme (Lebohang Lerato)	DA	
38	Cllr Mokoena (John Itumeleng)	AASD	
39	Cllr Mongale (Mojalefa William)	AASD	
40	Cllr Moreeng (Kabelo Christopher)	DA	
41	Cllr Mtshakazane (Eunice Xoliswa)	EFF	Absent with apology
42	Cllr Njiva-Lebajoa (Mamotse)	DA	
43	Cllr Phohleli (Tsholwane Eddy)	EFF	
44	VACANT	PA	
45	Cllr Ramatlama (Mpho Joseph)	EFF	

46	Cllr Rammile (Tumelo Kingsley)	DA	
47	Cllr Rampai (Pule Joseph)	ACDP	Absent with apology
48	Cllr Sebolao (Jankie Elisha)	EFF	Absent with apology
49	Cllr Shale (Nkahiseng Reginah)	EFF	Absent with apology
50	Cllr Snyman (Pieter Adriaan)	DA	
51	Cllr Snyman van Deventer (Elizabeth)	FFPlus	
52	Cllr Terblanche (Arthur Phillip)	DA	
53	Cllr Thomas (Johannes Beleme)	EFF	
54	Cllr Viviers (Benhardus Jacobus)	DA	
55	Cllr Vorster (Braam)	FFPlus	
56	Cllr Wewege (Mare-Lize)	FFPlus	
WARD COUNCILLORS			
57	Cllr Sefaki (Samuel)	ANC 1	
58	Cllr Machachamise (Tshepiso Oudious)	ANC 3	
59	Cllr Supi (Mahoko Harold)	ANC 4	
60	Cllr Lecoko (Lehlohonolo Nathaniel)	ANC 5	
61	Cllr Moiloa (Tshidiso Petrus)	ANC 6	
62	Cllr Sehloho (Siza Clement)	ANC 7	
63	Cllr Nyaphudi (Likeleli Julia)	ANC 8	
64	Cllr Tlhakung (Betty Masetlhabi)	ANC 9	
65	Cllr Setlai (Teboho Lesley)	ANC 10	
66	Cllr Hashatsi (Rafedile)	ANC 12	
67	Cllr Siteo (Nombulelo Dorcas)	ANC 13	
68	Cllr Lekgetho (Lebogang Winston)	ANC 14	
69	Cllr Mohibidu (Pulane Martha)	ANC 15	
70	Cllr Mohatle (Mampone Sally)	ANC 17	
71	Cllr Van Noord (Gregory Owen)	DA 18	Absent with apology

72	Cllr Peter (Seth Qondile)	ANC 19	
73	Cllr van Rensburg (Corize)	20 DA	
74	Cllr Lotriet (Pieter Adam)	DA 21	
75	Cllr Cronje (Jan-Hendrik)	DA 22	
76	Cllr van der Walt (Tjaart Botha)	DA 23	
77	Cllr Kotze (Gerhardus Dirk Petrus)	DA 24	
78	Cllr Kotze (Paul Mare')	DA 25	
79	Cllr van Niekerk (Hendrik Johannes Christiaan)	DA 26	
80	Cllr Banyane (Zachous Nechodemus)	ANC 27	
81	Cllr Matsephe (Dikololo Elias)	ANC 29	
82	Cllr Tukula (Teboho Daniel)	ANC 30	
83	Cllr Mabena (Mere Joel)	ANC 31	
84	Cllr Menyatso (Thabang Victory)	ANC 32	
85	Cllr Mohono (Tshidiso Augustine)	ANC 33	
86	Cllr Tshwane (Kabi Daniel)	ANC 34	
87	Cllr Fantisi (Teboho Samuel)	ANC 35	
88	Cllr Ramolelle (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 Maartens (Jan-Rudolf)	DA 47	

98	Cllr Pretorius (Johannes Christiaan)	DA 48	
99	Cllr Lekhwele (Mohanuwa Julia)	ANC 49	
100	Cllr Monare (Thabo Nicholas)	ANC 50	
101	Cllr Mohulatsi (Mamoorosi Margaret)	ANC 51	

OFFICIALS IN ATTENDANCE

#	DESIGNATION	NAME/S
1	CITY MANAGER	MR SELLO MORE
2	CHIEF FINANCIAL OFFICER	MS ZUZIWE THEKISHO
3	HOD: TECHNICAL SERVICES	MR REVELATION MASOBENG
4	HOD: PLANNING, ECONOMIC & RURAL DEVELOPMENT AND HUMAN SETTLEMENTS	MS NOKUTHULA CHAKANE
5	HOD: CORPORATE SERVICES	MR MOKETE DUMA
6	HOD: PUBLIC SAFETY AND SECURITY	MR ISRAEL KGAMANYANE
7	HOD: COMMUNITY SERVICES	DR T THINDA
8	CENTLEC CHIEF FINANCIAL OFFICER	MS Z WILLIAMS
9	GM: COMMITTEE SERVICES	MS XOLISWA QILO
10	ACTING MANAGER: COUNCIL SUPPORT	MS RINA MAMATELA
11	SECRETARIAT	MS K NZIWENI

3
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) (Leave 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 (Leave 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).

4
INDEX

ITEM NO	ITEM	PAGE NO
30	OPENING	5
31	NOTICE OF THE MEETING	5 – 5A
32	APPLICATIONS FOR LEAVE OF ABSENCE	5A
33	ACCEPTANCE OF THE AGENDA	5A – 5B
34	ANNOUNCEMENTS	5B – 5C
35	DECLARATION OF INTEREST	5C
36	REPORTS FROM THE EXECUTIVE MAYOR	
1	CONSIDERATION AND APPROVAL OF THE ADJUSTMENT BUDGET 2024/25	6 – 6L
2	REQUEST FOR EXTENSION: DEBT INCENTIVE SCHEME POLICY (RN: 23.2 – 28/02/2024)	7 – 7B
3	REPORT ON THE MATTER BETWEEN MANGAUNG METROPOLITAN// CENTRAL UNIVERSITY OF TECHNOLOGY (CUT) REGARDING THE VALUATION AND CATEGORISATION OF IMMOVABLE PROPERTIES OWNED BY CUT	7C – 7G
4	REQUEST FOR COUNCIL TO APPROVE THE TERMS OF REFERENCE OF THE DISCIPLINARY BOARD TO INVESTIGATE ALLEGATIONS OF FINANCIAL MISCONDUCT IN MANGAUNG METROPOLITAN MUNICIPALITY	7G – 7I
5	REPORT ON FUNCTIONALITY OF THE RETIREMENT FUNDS	8 – 8C
6	INCREASE IN SALA PENSION FUND CONTRIBUTION	8C – 8D
7	RATIFICATION OF EVERGREEN CONTRACTS IDENTIFIED DURING THE DEVELOPMENT OF FINANCIAL RECOVERY PLAN	9 – 9C
37	REPORTS FROM SPEAKER	
	NONE	9D
38	REPORTS FROM MPAC	
	NONE	9D
39	REPORTS FROM AUDIT COMMITTEE	
	NONE	9D
40	IN COMMITTEE REPORTS	
	NONE	9D
41	CLOSING OF THE SPECIAL COUNCIL MEETING	

5
MINUTES
(OPEN COUNCIL)

30.
OPENING
(MOMENT OF SILENT CONTEMPLATION FOR MEDITATION AND PRAYERS)

The meeting commenced exactly at 10h00.

The Speaker officially declared the meeting opened and indicated that 59 Councillors were present and thus forming a quorum.

NOTED.

31.
NOTICE OF THE MEETING

The Speaker read the notice as on page 2 of the agenda. He further mentioned that in terms of the meeting rules, all Councillors must arrive and be seated at least 15 minutes prior the commencement of the meeting as on page 3 of the agenda. In many instances Councillors have not been observing the rule and thus task the Chairperson of the Rules Committee, Cllr TKW Mokgothu to present a punitive measure to Councillors in the next ensuing Council meeting to include a fine or deduction of certain amount from Councillors allowances for late coming to the meetings.

Cllr JC Pretorius raised a concern with regards to reservation of parking spaces for the Councillors during meetings and that the matter needs to be attended to as a matter of urgency.

Cllr GJ Lipale advised that there should be a form of identification for Councillors to assist the Traffic Officers for allocation of parking spaces especially during Council meeting as everyone would identify themselves as Councillors.

The Speaker thereupon stated that the City Manager and HOD: Public Safety and Transport to follow-up on the matter.

In responding to the concern by Cllr DJ De-Huis that a Councillor was eating during the Council meeting and thus not observing the decorum of the house, the Speaker referred Councillors to Rule 50.2(b) of the Standing Rules and Orders which reads as follows:

- 50.2** *The following activities are strictly prohibited from being conducted within the confines of the council chamber or a meeting venue of the council or its committees by any person:*
- (b)** *Consuming any food or drink in his/her possession, excluding water provided at the meeting.*

Cllr KC Moreeng raised his dissatisfaction that he only received the hardcopy of the agenda the previous day and he raised the same issue at the previous Council meeting that Councillors from Botshabelo and Thaba Nchu receives their documentation late.

In responding, the Speaker indicated the following:

- that at the previous meeting he referred Councillors to the Standing Rules and Orders, Rule 6.1 which reads as follows:
“The City Manager must, unless otherwise provided for in these rules, at least forty-eight (48) hours, give notice in writing of the date, venue and time for the holding of an ordinary or special meeting. All relevant and required documentation shall be delivered to all council members within the municipality as determined by the council from time to time, sent by electronic mail to an address provided by the Councillor as his/her official address/mail address.”
- That the City Manager to look into the accessibility of the documents via the link sent to Councillors.

NOTED.

32.

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.

33.

ACCEPTANCE OF THE AGENDA

Cllr PA Lotriet requested that item 36.5 and 36.6 be discussed simultaneously.

Cllr GDP Kotze remarked: “Thank you, Mister Speaker. on the Council agenda we have a little bit of a concern. As you can remember on the 24th of November 2024, the Human Rights Commission Report was published, and Mangaung Metro Municipality was given three (3) months to respond to the report. It also needs to be noted that Mangaung Metro Council needs to approve the responses to the report. Unfortunately, it is the 28th of February 2025 and three months has already passed and that report is not tabled today.

To remind the City Manager, on the 12th of December 2024, we did give him a reminder in Council and on the 2nd of February 2025, we also gave a written request to him just to remind him that at the end of February 2025, that report needs to be tabled. Maybe the Executive Mayor would just respond when he tables his items.

5B

Secondly, the due diligence report on Centlec, the MMC (Member of the Mayoral Committee) of Finance did promise that the end of February 2025, that report would be tabled in Council, and it was already promised last year and unfortunately that report is also not tabled in Council today. Thank you, Mister Speaker.”

Cllr MM Letawana was in support of the proposal raised by Cllr PA Lotriet to discuss item 36.5 and 36.6 simultaneously.

The Council voted as follows: 80 in favour of the agenda and proposal made, 0 against and 0 abstained.

The agenda was duly adopted and accepted.

NOTED.

34.

ANNOUNCEMENTS

Cllr GDP Kotze addressed the Council: “Thank you, Mister Speaker. crime statistics were published on the 21st of February, which are horrific.

From October to the end of 2024: 6953 people were murdered [76 daily], including 7 666 attempted murder cases, 54 337 people were assaulted (GBH) [591 daily], including 16 023 women and 2 164 children, 11 803 people were victims of raped [128 daily], 12 447 common robberies occurred [135 daily], as well as 36 446 commercial crimes [396 daily].

I am announcing today to inform the public that the Department of Law Enforcement does not prioritize their safety. Cllr Rudi Maartens initially scheduled a meeting with the General Manager of Law Enforcement, Mr Mazel Mthembu, for Tuesday at 14:00 with regards to public safety concerns in our wards. However, the meeting was postponed to Thursday due to a crisis in Dewetsdorp. When Thursday arrived, the meeting was cancelled because the General Manager needed approval from his HOD before meeting with DA councillors.

Through you, Speaker, Cllr Rudi Maartens will reschedule the meeting for next week and will contact the HOD to confirm a time and venue. However, if the meeting is cancelled again, we will act against the HOD. I trust that the media present will take note of this announcement.

Mister Speaker my second announcement will be done in my mother tongue, deur u, Voor sit ter, aan die Burgemeester: Die DA is hier om te bly. Kyk mooi na die DA-koukus – ek het wit, swart en bruin kollegas, en ek is trots daarop, want dit is waarvoor ’n nuwe Suid-Afrika gestreef het.

Burgemeester, los wit mense uit – hulle is deel van Suid-Afrika, en jy sal daaraan moet gewoond raak. Die goue reël wêreldwyd is dat welvaart slegs deur harde werk bereik word, nie deur te steel nie. Enige Suid-Afrikaner – swart, bruin of wit – sal slegs in maatskappye en

5C

munisipaliteite belê wat vertrou kan word en die integriteit het om hul kliënte en inwoners met verantwoordelikheid te dien. U rassistiese uitlatings dryf beleggers weg, en as u dit nog nie besef het nie – die ANC se rassistiese uitlatings en ondersteuning van terroristegroepe wek toenemende irritasie in die internasionale gemeenskap. Thank you, Mister Speaker.”

Cllr SP Tsoleli addressed the Council: “Thank you very much Speaker. I want to clarify the protocol in terms of who councillors are supposed to invite. The MMC responsible for that portfolio should be invited.”

35.

DECLARATION OF INTEREST

None.

NOTED.

1.

CONSIDERATION AND APPROVAL OF THE ADJUSTMENT BUDGET 2024/25

Executive Mayor addressed the Council: “Thank you Honourable Speaker, Dr BL Mathae, Honourable Council Whip, members of MAYCO, members of Section 79 Committees, Honourable Councillors, the Municipal Manager and his team, the management of CENTLEC, members of public and gallery. Good morning.

Let me start by saying, as this council we pass our condolences to the brave 14 soldiers that lost their lives in DRC and we stand by their families, celebrate their bravery as they execute their duty to secure peace and stability. The unity and the cooperation that Africa needs to have. May I request our councillors, through you, to please stand up and observe a moment of silence in respect of these foreign heroes.

In the recent past, our President was hailed by insults by President P Kagame from Rwanda, equally with respect to the duties of our Country participating in one of those acclaimed international missions. Currently as we speak, and I am sure many Councillors having cloned and deemed their eyes on their TV’s might have realised that the scores of thousands of employees of USA workers were instructed to pack and leave their offices within 15 minutes of their time, a plight that will impact on the African continent and other parts of the world. Where the people of the world yet are subjected to an embarrassment out of the interest of the imperial forces to coerce other countries to dance to their tune.

We might have also seen that two (2) nations of an imperial nature came together last night to strike a deal to reserve the resources of Ukraine striking conditional peace that would have to address to their interests. Yet fearing the might of Russia. I must indicate that, history will tell you that when other countries were focusing on light industries, Russia was ensuring that it would not be a subject of dominance through the USSR. Today even though Russia is part of some of those that could be seen. As a result, we need to watch that contradiction with interest, it should be noted that even though there is that conflict, the ultimate is China which has emerged as one of the greatest superpowers in the world and as our ally in BRICS, we would want to believe that we are in a direction to participate information that will help to heal the world and sub judication of other countries into oppression. Even though these individuals from our Country hang around president of doom provide ill-advice, sends around what is happening in our country, even attracting some of our citizens to fall into a bogus kind of protection to an extent that our policies must be undermined.

To that effect, expropriation of land, we now have a president of a country focusing on other matters that unfold in other countries and using some of the muscle that they command to dictate. At this point, I think the country needs to rally around the presidents when he instructs that we are not going to find ourselves explaining ourselves to anybody in the world especially those that would understand us, we will work hard to unite ourselves and make sure that we make South African citizens understand that they need to live alongside the tendencies and Afrocentric tendencies. We need to live as one. To those that see Trump as hope, we sympathise with them because their hope is in this country and not anywhere else.

There are those NGO's and CBO's that are going to be unable to help the government to reach out to those communities where help is needed. I think we need to fine tune our resources to begin to keep and to be in line with us not depending anymore on any help that comes outside. It is interesting that in the global sphere, South Africa has played such a critical role starting with the same DRC I referenced to the middle east. We can see some development and changes and peace being struck across the world. Our role has placed us to be the enemies of the people who have amass world illegally across the globe and want us to dance to their tune. I echo the sentiments of the presidents – we will not be told what to do, we are willing to cooperate with anybody in the world, we will communicate and cooperate with the people of the world through established bodies. We are therefore not going to be victimised.

On the budget – the adjustment being passed here stems from a funded budget that has been approved by Council. It is a condition of Treasury that adjustment as well as it be funded, it has such been and subject to processes of assessment by national treasury and has received a pass. We understand the implication of the unfunded budget which is inevitably to contribute to capital replacement reserved to the city and we know that conditional grants are focusing on provision of basic services and upgrading of bulk for the requirement connections. Projects that involve refurbishment and upgrades must be taken care of from revenue generated from the delivery of services. We depend on our end users – the patriots and citizens to pay for services they consume whilst those that cannot afford, to register for indigency. We call upon our infrastructure, our ward councillors as well as our regional offices that will be empowered to do so – to help reach out and ensure that the issue of indigents register does receive the respect, credibility and our communities enjoy the benefits. We will soon be tabling a proposal on what plans to be done to try and improve from the ICD perspective on this matter.

Honourable Speaker and Councillors – on the operating revenue framework and budget surplus, the monthly billing and year to date are overall. The results at seven months were below the target, the seasonal demand was not factored in the budget, we believe that the revenue will recover in the next 2-3 months going into winter for electricity. The original budget surplus was R2.06 billion including capital transfer, excluding capital transfer it was R1.03 billion representing a 9.6% of the operating revenue. With this adjustment budget, the operating surplus was projected at R1.56 billion including transfer and R567 million without capital transfer. These reasons for the reduction are the adjustment of depreciation and bulk purchases. This moves slowly, addressing the authorization expenditure. This shows that budget for the debt impairment depreciation losses and inventory rights off is below the actual at year. National Treasury has highlighted conditions that will keep this budget, and these are financial discipline in spending within the allocated budget as well as reducing our provision for bad debts against revenue to about 15% from 22%. The implementation of the credit control settlement increment policy as well as the adjustment of debt collection team will assist. To accommodate the required adjustment in favour of contracted services to continue with our objectives of service delivery to the communities, we had no choice but to reduce employment costs budget from R2.513 billion to R2.494 billion against the request of over R60 million submission. That is a total of R18 million reduction. The City Manager and his team will present cost containment strategies as allocated per budget in the next MAYCO, the corporate services should exercise oversight and ensure that expenditure is indeed contained.

6B

On contracted services – which include maintenance, has been increased R132 million from R620 million, adjusted to R797 million – this includes contracted services, professional service providers and outsource services. The cost of outsourced services must be looked at and analysed. We understand the requirement for maintenance at a ratio and total income value of assets. It has taken some time to achieve this level, but we commit to start somewhere, councillors.

On bulk costs – the city bulk costs remain the biggest line item in the budget of the financial year. The city spends R1.66 billion against the budget of R2.5 billion. No adjustment has been made for the bulk purchase of water for the full year. To ensure that we remain funded for the year, we will set the performances of monthly billing against the year-to-date budget. It became clear during audit that there are challenges of incomplete billing which were also discovered when the TDI roll over the project were found. We are busy with the auditing, and we will soon start with the billing of such meters as soon as reliable data is available.

To support the process, we have also committed with the implementation of audit action plan. We are embarking on the desktop data cleansing exercise to ensure improved billing for water and sanitation. This will assist us on our journey to ensure accountability by the 1st July 2025 as resolved by council. On the capital budget – it became necessary that we phase the reality and consider re-allocating the budget to projects that are implementation-ready and have realistic cash flow projections. These funds were re-allocated to CENTLEC in an amount of R28million with USDG being R50 million and USUPG R30 million. These funds are allocated for electrification of formalised areas as well as installation of high-mass clients in various areas of the city. CENTLEC will also utilise their internal generated funds for disaster recovery, metering and transformer replacements which has increased to R36.8 million.

The projects that have seen reduction in budget will have to move from single year budget to multiyear budget, this means that in an annual budget of 2025/26, the balance between required budget and allocated budget as per adjustment will be provided for 2025/26 financial year to ensure implementation of the full scope of the projects. Water and sanitation received additional of R42 million from both grants with a focus on refurbishing of water, sanitation network, metering, including prepaid water meters, whilst community services saw a reduction of R15 million. To ensure that we have realistically budget, we have now introduced a projected readiness matrix to qualify for allocation of funds. The matrix requires submission of project-concept documents, project design, the bill of quantities and specification. We urge the HOD's and the project managers to get these documents in March as we await the announcement of national budget from ministers.

On compliance - we have adopted the roadmap which has been missing for quite a while. This M-score project is aimed at transforming the organisation towards seamlessly integrated financial system which aligns with the vision of going digital on critical services to the people as well as conducting our businesses. As part of the R797 million, R6 million has been allocated to M-score projects and another R3 million allocated towards appointment of municipal evaluation, who will be responsible for project evaluation to roll which will become effective as from July 2026. The due diligence report about the sales of business to CENTLEC - let me apologise to the August house for the delay that was unforeseen, the challenge of the metro

requires so much time on our side. I am seeking your indulgence to allow me to submit this report on a special council meeting that will sit from the whip of the council and yourselves immediately after tabling this annual budget of 2025-26. The city manager and the team – believe you have read the conditions stipulated by treasury of keeping within the budget and taking and that you understand very well, the consequences of an unfunded budget at the end of the financial year, it is holding back on grants, and we cannot afford this situation. Cash flow – R 1 billion and R11 billion. Bulk costs R386 million – general expenses and municipal costs R190 million except of budget, contracted services R47 million, employee costs R40 million. These are all amounts spent in excess; to keep up with budget, management will expect to present their year-to-year expenditure to report to our established structures so we can assist this council. Message goes to the admin; stay with your budget, we must build liquidity and improve cash creditors ratio and quick ratio and current ratio.

Honourable Speaker, I want to reiterate that returns of funds to national fiscal will be avoided in no uncertain terms through the finance and IDP and performance committee, capital expenditure will monitor closely. The report I received from the city manager is that a panel for contractors for installation of services is on the verge of being concluded and the reduction of budget, I already alluded to, based on sound cash flow projections made by HOD. In alignment with the procurement policy and with national treasury published procurement framework that has been replaced, April 2017, framework that was unconstitutional, it became necessary that we develop our own. In this alignment with the national framework our goals will ensure that the designated group sectors such as local businesses, job creation and promotion of local industries are preferred.

Also coming from the summit, it has become necessary that we develop the grant in a policy in line with MFMA section 69 as well as intent to support businesses and organisations that align with our vision of a sports mega promoted, arts and culture groups, NPO's and NGO's that are aimed at keeping our streets and facilities clean. As we are now changing gears towards the annual budget for 2025/26 medium term revenue and expenditure framework, we should not be oblivious of the challenges we are facing. Allow me to highlight the following challenges – the city has the challenges of water as waterlog area; measures have been put in place to alleviate the crisis we are facing. Dominant to what we are facing are natural factors but over and above, the ailing infrastructure that was not attended for over more than 5 decades since establishment of our existing infrastructure like dams. Sanitation is also a crisis, R79 000 of our residents are without waterborne toilets and 50 744 residents are bucket systems. These matters are what need to be attended to and for that we have engaged and we still engaging through district development as well as the engagement of national minister that we meet with on a routines basis like Fridays to help alleviate the problems we are faced with. To mention the figure R3.5 billion would be necessary amount to help eradicate and create existence of waterborne toilets but that cannot be without the provision of water that should literally help the system to operate effectively and to that we have also engaged national departments to ensure intervene at a level of a lasting solution but not limited to Gariep dam. Our roads account to 1600 tired roads and about 220 000km of roads that are gravel.

Such needs serious attention- we have engaged services of SANRAL, the provincial department, national department of roads and through our summit, invited the private sector to come handy through the PPP to ensure that we arrive at attending to the revamping of our roads. The estimate around these roads would work around R4 billion+ to put them to the condition that are habitable. Without much on human settlement- we are looking at those possible units that are empty from the municipality from Parastatals and from province and convert them to residential units. We have engaged the department that deals with land to seek those pieces of land and property that are under-utilised to the tune where we can convert them into homes for the people that are needy. We are also focusing on the residential unit that are in Thaba Nchu to ensure that they fall within the hands of rightful owners those that are habitable. We have made a declaration that we are going to have an agricultural indaba, safe to say that this one sector that we must improve on our economy. I will expect the movement towards officials working hard to ensure that we have indaba where we will tap as we did with the infrastructure as well as property indaba from the brain and the wealth of experience as well as commitment that comes from our local businesses, irrespective of their origin, colour or the investment. We really are calling upon South African citizens of note to come handy and assist in this regard.

Let me conclude by saying, we have alluded to the fact that our metro is in the centre of the country, commanding a rich history of the struggle, the rich history of colonialism and colonial symbol, a well-crafted heritage route and a liberation route for the country and equally so, with the infrastructure that has to lead to all provinces, be it rain or roads, we have to work hard to get our communities to understand our location, make sure that we retain our resources within our province and make our province workable and bring our resources together and utilise our centrality to the upliftment. A testimony to this is a demonstration of the loving people of our metro that have now on their own action attracted all sporting bodies to focus on bringing their activities to our metro but the festival Macufe and other related activities that we host that under normal circumstances enjoy enormous support, we invite more initiatives of that nature. We must make sure we bring back our zoo and make sure that Mangaung becomes that cornerstone that will attract people from far to come and enjoy our city. On that note, I would like to thank you and councillors for allowing me to address you and I submit."

Councillor AF Bothma addressed the Council: " Thank you Speaker, through you and Executive Mayor, during our section 80 committee held on 20 February we were presented the adjustment budget. There were very good deliberations and we got answers; however, we have a new set of information received on the 25th of February when we got this item. So, there is quite a few differences, but I would like to actually raise and get clarity. I have actually gone through the tables, just a little bit of a concern there are some differences between tables, but I will work on the amounts that have been tabled in the recommendations and as the Mayor indicated R1.56 billion surplus that we realised.

I must say there is some mapping expected to be done to correct this, and we must do that because it can be embarrassing if all our tables do not correlate. Specifically, there are a few things- debt collection policy shows that we have a R26.6 million increased in revenue. However, we are of the opinion this should be quite more seeing that on the report that I will handle as well but it has been done well but we should see that we can do better.

The debt collectors and legal cost indicates R10.8 million but within the section 80 we were indicated that these collectors receive 8% of the money that they earn so that is the bottom line, there should not be additional costs. Of course, legal costs can cut that by 50%. Capital budget is quite an issue, the R33 million that was indicated in the section 80 committee meeting was well motivated because that is the amount that we overspent vs the amount we return to treasury. We hope and go through some of the items, and we see there is some improvement, and we do address items on the capital budget that were neglected in the previous year. We had a shift within the capital grants allocations of R50.5 million on human settlements, we applaud that, and we made a list of all those projects that will benefit by that, but we would just like that everything is now included.

Human settlements departments- we discussed this in our meeting, and we are of the opinion that the amount that has been allocated for the human settlement and the USDG grant is being split between the money that is needed for planning and execution of the services which should go to the service department, and we touched that in the budget. We would like to see in the future that has been done so we cannot return money. As the Mayor indicated we have a budget that is funded, and national treasury acknowledged that; We would like to see that all the prescriptions are done. We have some conditions that derive as the surplus because 79% must be collected, 74,6% must be from other services so only R3.9 million is left of the adjudication and we are planning on thin ice, one hiccup and we are gone. So, we must apply all the conditions of national treasury. We have got to see our commitments. National Treasury indicated to halt the establishment of metro police; I would like council to note our concerns. Thank you."

Cllr JM De Bruin addressed the Council: "Thank you Speaker, today we stand at a crossroads, we are presented with a budget that insults the very existence of the public service. A budget that prioritises fixes over a fundamental change. A budget that lines the pockets of contractors while our community's crumble. Let me explain this circus, R28 million to empty pit toilets while 600 families could have dignified sanitation who benefits. The people over the contractors and enablers who feeds on their misery. R19 million for crumbling infrastructure and R10 million for a fleet of luxury vehicles – who are the beneficiaries, the people who navigate potholes, written streets or the officials who must travel in style while their constituencies are suffering. R40 million for security service while our community facilities and vandalism under the very noses of those we pay to protect us- who benefits the people. Whose children have nowhere safe to play or the contractors who profit from our municipality. This is not governance, this is exploitation, this is a betrayal of trust. We are not here to maintain the status quo of suffering; we are here to build a better future. The PA stands with the people, we will not comply; we will not endorse this budget. Therefore, we vote against this budget, we demand a budget that invests in the people, not in the pockets of officials, we demand a budget that builds a future of dignity, not a legacy of decay, we demand a budget that serves the people of Mangaung and not the contractors and not the enablers, we demand change, ons baiza nie – SALUT."

Cllr BJ Viviers addressed the Council: "Thank you, Honourable Speaker. Let us start with the positive the Debt Incentive Scheme extended till the end of the financial year which is a good idea for MMM to generate more income.

Increasing the Operating Income, Expenditure and Capital Budget is also positive. Unfortunately to quote the Federal Leader of the DA, Minister John Steenhuisen “the devil is in the detail”. As Cllr Bothma mentioned the Adjustment Budget is unreliable due to the contradictions.

So on the negative side we are now bearing the fruit of the R 141 000.00 of provisional grants that were not spend in the previous financial year and even though the CFO and her team should be recommended for attending to service delivery line items with the little bit of money that is left, there could have been so much more money available if this Metro has spent all its Provincial Grants in the previous financial year.

Now let’s get to the devil in the detail note page 5 of 82 of the report middle second bullet, I quote “Legal costs including debt collectors and MPAC investigators”. During the Section 80: Finance Committee meeting, we were enlightened that MMM has renewed three-year contracts with the Third-Party Debt Collectors and that the Agreement is that these Third-Party Debt Collectors receive 8% of the money they collect. Just to place this in context on the R9 billion older than 90 days -8% will be R720 000 000.00. Now please explain why provision must be made for debt collectors under Legal Costs.

The harsh reality is that MMM could attend to its own Soft Debt Collections and only need to appoint Third Party Debt Collectors, if they want to continue with formal litigation proceedings as per Bullet 22(2) of the Credit Control and Debt Collection Policy. R720 000 000.00 will be available for service delivery if we do not have to pay 8% of the debtors collected to Third Party Debt Collectors.

Another point on the agenda today is that the Council should note, item 36.3 where we should note that MMM intend to go to the Constitutional Court. If we lose there again the costs will probably be taxed to R2 000 000.00. Could it be that under this line item of legal costs allocated for more than R10 000 000.00 there is already provision made for the Constitutional Court Application that we are probably going to lose?

In conclusion during the Finance Committee meetings, it was requested that we should receive a spreadsheet regarding overtime payments so that we can do proper oversight, unfortunately it is not forthcoming.

So unfortunately, due to the exuberant overtime payments going far beyond the amount budgeted for, our adjustment budget will most definitely run in the negative. The R3,9 million surplus will not be enough to cover overtime, resulting in an unfunded adjustment budget and even though we are moving in the right direction the DA cannot support an Adjustment Budget that will be unfunded once more, accept if we could be convinced otherwise. Thank You.”

Cllr GJ Lipale addressed the Council: “Chairman, We would like to take this opportunity to greet the members of this house and acknowledge the struggling community of Mangaung, who, we believe, have almost completely lost hope of seeing their once-beautiful city restored to its former glory: the City of Roses, now regrettably referred to as the home of broken promises.

Today, we gather once again to discuss the Adjustment Budget for 2024/25. During yesterday's EFF Caucus, as we reviewed the documents, we were reminded of the words of the late Commissar Tony Marais, who stated, "There are no angels in hell, just like there are no angels in the ANC." Sadly, we must agree with this sentiment when addressing this item.

The proposal of adjustments budget is that we approve:

1. An increase in Operating Income by R406.54 million, bringing it to a revised total of R11.07 billion.
2. An increase in Operating Expenditure by R865.16 million, resulting in a revised total of R10.62 billion.
3. An increase in Capital Expenditure by R11.69 million, leading to a revised total of R1.35 billion for the 2024/25 financial year.

The EFF strongly rejects this Adjustment Budget, and our position is informed by our experiences since we joined this chamber in 2016.

Commissar Tony reminded us that facades can be deceiving. No matter how fluent their English, how well-groomed, how good they smell or how healthy they appear, those who deceive the most vulnerable among us share the same flaws.

In the 2023/2024 financial year, we made a bold decision to vote alongside the ANC Caucus based on promises that informal settlements would be prioritized. Unfortunately, those commitments have not materialized, as the very directorate responsible for this is among the worst-performing departments in our Municipality.

It seems that authentic appeal has triumphed over effective management, as both the HOD and MMC had the audacity to assert in our last ordinary sitting that the unspent grants designated for informal settlements were not significantly lower than in previous years. Only an ANC cadre would equate failure with failure and maintain a sense of satisfaction regarding poor delivery.

Chairman, how can we, in good conscience, support an adjustment budget for an institution whose current liabilities exceed its current assets by R468.2 million? This is nothing short of serious financial mismanagement.

Adjustments seem to be designed to funnel resources into the pockets of their friends, such as Black Top, Glad Africa, and Mothebe Wheels. They boldly request budget adjustments that will not benefit the residents of this municipality. How can we explain to the people of Mangaung how this institution accumulated irregular expenditure totalling R1.5 billion, with R734 million classified as fruitless and wasteful, while residents of Botshabelo and Thaba Nchu continue to use VIP toilets? Meanwhile, the people of Bloemfontein remain without a taxi rank.

We will likely never receive answers to these pressing questions, as this institution lacks effective consequence management. A mere 11% of irregular expenditure cases lead to disciplinary action, How long do we expect to endure this leadership void on matters of corruption?

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The EFF Caucus will not support this adjustment as long as:

- The youth of Mangaung remain without sustainable jobs.
- The people of Bloemfontein continue to lack a proper taxi rank.
- Grants intended to improve living conditions are returned to National Treasury due to incompetence.
- There is a slow response to discipline officials implicated in the IPTN forensic report who still hold positions in this chamber.
- the residents of Botshabelo and Thaba Nchu are still reliant on VIP toilets.
- Those who are absent indeed yet present in title in the Directorate of Human Settlements remain in charge.

The EFF stands in solidarity with all the residents of informal settlements. We will not be complicit in this budget adjustment. Thank you.”

Cllr MW Mongale addressed the Council: “Thank you, Honourable Speaker, Dr Mathae, all protocol observed. The Executive Mayor made a very lengthy speech that provoked me to answer most of his political analysis, but in the interest of time I will not have the joy of doing that. I also need to ask a question whether we are dealing with item 1 only as a tradition, or a checklist or scientifically. I am raising this because if there was a scientific element to this emanating from the summit we should have made the infrastructure is at a top level so we can attract investors. Because of that, we are forced to challenge the current budget adjustment that has been made to say that it does not talk to the needs of the citizens but instead it is talking about the issues that should have been done under a normal situation where a municipality has no challenges. I am very disappointed that the MMC for roads and infrastructure did not fight for a bigger budget. The roads that we are trying to maintain are finished and a permanent solution is required.

When you check the operating income that will be increased by R406 million- but you look at the performance of the municipality in the last 6 months, it raises the question as to where the money will come from, has our revenue improved? The operating expenditure, we want it to be increased by R865 million. The issue here is that whether we have capacity or income? I am raising these issues with all humility to say let us stop fighting amongst parties and find a way of looking in one direction as we have a common problem. We must put systems in place, and we must be honest. The reality is that we need to repair so that lebelo la hao lebe safe. Mangaung has been downgraded, the rugby stadium has been downgraded, I do not know, I am just speculating that the main problem is that the city has not finalised the lease agreement with the stadium. We should think outside the box and consider the necessity of finalising that contract as a matter of urgency. Thank you.”

Cllr B Vorster addressed the Council: “Good morning Honourable Speaker, all protocols observed. The adjustment budget for this financial year is just a repetition of the previous financial years. Great emphasis is on the downward adjustment of R18.5 million on employee related costs. The facts are as follows: there is a downward adjustment of R68.8 million on basic salaries and wages, however there is an upward adjustment of R39.4 million on acting and post related allowances increasing the acting allowances from R1.4 million to R40.8 million for this year.

It is therefore clear to the FF Plus that no permanent positions will be filled in this financial year even when the original a budget made provision. There is also an upward adjustment of R16. Million on overtime, increasing the funds from R79.7 million to R96.5 million for this financial year. This is only done to reduce the unauthorised expenditure on overtime already spanning at R62.8 million at the end of December of this year. The irony is that the R16.7 million is not enough to cover the unauthorised expenditure already spent on overtime and then the overtime payments for the 3rd and 4th quarter must be added.

Will there ever be the political will of this ANC led government to correct this unauthorised expenditure on overtime. One of the main objections of this budget is to re-align the overspending on service delivery prioritises yet R1.4 million is allocated for the purchase of animals and R2 million to the Botshabelo mall, at the same time R10 million for the rehab of Nelson Mandela drive is re-allocated to other projects and R5 million for the renewal of Sterkwater silver project is re-allocated to other projects. Unfortunately, the original budget and this adjustment budget do not prioritize basic service delivery for the needs of the people of this metro. It is yet again a sad day that the capital expenditure that the grants were reduced by R48.8 million and the re-allocation of these funds is a last attempt to spend the remaining funds before the end of the year. This metro will have to return a big portion of conditional grants to national government at the end of this financial year.

Honourable Mayor, through you Speaker, there are people employed in this metro that are not doing their job or do not have the necessary skills. It is mind-blowing to the FF plus that this metro is unable to spend its conditional grants that are handed to us on a silver platter. Centlec's projected increase in electricity allowance is unrealistic, this increase in revenue is according to the budget correction for street lighting which was not previously considered. Speaker it is highly unlikely that this metro will pay the amount in favour of Centlec and this revenue will only be a book entry in the financial statements and not in real income, this will increase all revenue to an unrealistic projection in the budget.

In conclusion, the FF plus is not convinced that this adjustment budget is funded but only time will tell and again we will wait for the financial statement and the report from AG which will indicate the true financial position of this metro. There will be no change in the status quo from the administration. Just by implementing the debt collection policy by our skilled employees in the finance department, they collected over R91.8 million of our outstanding debt in the past year reducing our debt book by R150 million. The FF plus therefore will not support this adjustment budget. Thank you."

Cllr CL Kruger responded and explained as follows: "Thank you Speaker, the way the FF plus and the DA question whether the budget is funded or not simply reminds me of the tendencies of other reform revolutionaries. I must remind you that if you do not believe in the letter issued by treasury stating the following " National Treasury conducted the mid-year budget and performance assessment engagement for the Mangaung metropolitan municipality on the 17 and 18 of February and one of the resolutions is that the city must table a funded 2024-2025 adjustment budget. At the end of the letter, it states - therefore National Treasury assessment included in the 2024-25 adjustment budget is funded' so it is unclear who must conduct the assessment as you are doubting the national treasury.

Same as our bills which have been questioned, and we are happy to also arrange a farewell party for the refugees. Speaker, we must understand what adjustment we should seek to achieve and not mislead the community; it is not new money but re-directing what we have. EFF there is no way that we will remove any project from human settlements, the projects are delayed and not denied, we are appointing as the Executive Mayor has alluded in his speech, yes, the panel will be appointed as processes must unfolded. I will you give you my word that no project of human settlement will be removed or deleted from the budget. The aim of the adjustment budget, like I said is to take into cognizance the roll-overs, to ensure that grant spending gets accelerated, projects focusing on service delivery get accelerated and that is the aim. Let us not mislead please, the adjustment budget is indeed funded, now if we look at the following and check the revenue performance, that is where we aim to be but for that to be achieved, certain things must be done. Expenditure becomes a challenge because we must control.

In conclusion, one of the 2 areas where the highest adjustment took place was depreciation because if we do not make adequate room for depreciation. Like the acid ratio Mangaung must be understood and that gives expression to the budget we made for depreciation, bulk costs of CENTLEC also received a big adjustment. As a municipality, we are grant-dependent so we must spend. Projects that are implementation-ready have been accelerated. In terms of what the Executive Mayor presented, we definitely support, and this budget is funded by national Treasury.”

Cllr SQ Peter responded as follows: “Thank you Speaker and Hon. Councillors, like the Mayor has said, he tried to explain a few issues but let me be specific and I will try to respond. We must also remind the council that the city is still under FRP which in its nature, so anything we do, must be in line with that. Hence you can see that our adjustment budget has been endorsed by treasury to avoid problems. I must address the issue of security; the security budget does not come as a matter of must or we want to shift money. I think there are some areas that have been declared as key areas in the city like the reservoirs, the water treatment plant that needs to be secured at all times, we need to ensure that there are enough funds.

It is important to explain that if we have unauthorised expenditure, it is a responsibility of this council to make an adjustment and an adequate provision for that to ensure efficiency. These are some of the issues raised by councillors and need to be dealt with. Thank you.”

Executive Mayor responded as follows: “Thank you very much, I want to stay on the positive line given that whatever comes from councillors for the good and bad they say, for us remains at the highlight of how we should improve our performance and services and ensure that we really take into consideration our communities and the services that we must provide.

When you talk budget – there are terms that are common, and it applies with all professional bodies – one term speaks to estimates and the other one speaks to adjustment. I think that is one part that tends to be overlooked by ourselves when we deal with issues, despite the fact that we are not in any way to create new money, we must operate with what we have.

As Councillors, we strive to encourage those who appointed us, at the point when Mr Kotze stood up and spoke, and made serious racist remarks, I felt sorry for him because often I expect that the FF plus will come guns blazing to me on attitude problems but to date I see them committed to serve, apart from seeking some foreign advice on a matter that does not need intervention. I think I would have to understand what FF plus stands for, with regard to their policies, apart from their marriage to land, they are so positive. Mr Kotze, I think you belong to AWP, I think you only got angry when Eugene Terblanche disappeared into thin air.

Councillor TK Rammile point of order – he indicated that the Executive Mayor tends to bring up racial issues when matters are being address and that the council should strive to achieve a common goal.

Councillor BJ Viviers point of order – he indicated that despite the colour of the skin – respect must still be maintained, and councillors should be addressed appropriately according to their respective titles.

Honourable Speaker indicated that members should be specific when making their points of order and they should clearly identify the rule of the house on which they are rising. He further indicates that he did not hear any racial slander as the Executive Mayor had previously indicated. He dismissed all the points of orders.

Executive Mayor continued: “Thank you Speaker, I want to wrap up by saying sometimes when people fear one another, fail to correct each other, and have limitations in understanding the constitution of the country, make inferences and statements that when challenged, they behave so animalistic to an extent that their contribution becomes blur with a sense of understanding. Listening is a skill that is acquired through interaction of sharing ideas. If the DA doesn’t hold its own caucus and hold each other to agree, do not come here and expose yourself because things that were said by Mr Kotze-”

The Council voted as follows: 49 in favour, 27 against and 10 abstained.

It was thereupon

RESOLVED

1. That the original budget as approved on 31 May 2024 be adjusted accordingly. Operating Income be increased by R406,54 million to the revised amount of R11,07 billion. The Operating Expenditure be increased by R865,16 million to the revised amount of R10,62 billion. The Capital Expenditure Budget be increased by R11,69 million to the revised amount of R1,35 billion for the 2024/25 financial year as set out in the following tables:
2. Based on the details as outlined above it is resolved that Council approved the Adjustment Budget as contained herein, together with the resolutions as contained here below.

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3. The adjustments budget for the financial year 2024 – 2025 is approved as contained in Tables B1 – B10 detailed below:
 - 3.1 Table B1 – Adjustments Budget Summary
 - 3.2 Table B2 – Adjustments Budgeted Financial Performance (Revenue and Expenditure by standard classification)
 - 3.3 Table B3 - Adjustments Budgeted Financial Performance (Revenue and Expenditure by municipal vote)
 - 3.4 Table B4 - Adjustments Budgeted Financial Performance (Revenue and Expenditure)
 - 3.5 Table B5 – Adjustments Capital Expenditure by Vote, Standard classification and Funding
 - 3.6 Table B6 – Adjustments Budgeted Financial Position
 - 3.7 Table B7 – Adjustments Budgeted Cash Flow
 - 3.8 Table B8 – Cash backed reserves/Accumulated surplus reconciliation
 - 3.9 Table B9 – Asset Management
 - 3.10 Table B10 – Basic service delivery measurement
4. That Council approved changes as contained in Table B1 to Table B10 as well as all other supporting schedules for the Adjustment Budget.

2.

REQUEST FOR EXTENSION: DEBT INCENTIVE SCHEME POLICY (RN: 23.2 – 28/02/2024)

Cllr M Davies addressed the Council: “Thank you, Mister Speaker. As the Democratic Alliance we just want clarity on the implementation on option 2 - arrangements for a period not exceeding 12 months from the date of the Council Meeting.

The Debt Incentive Scheme will be extended till 30 June 2025 which is four months from today. Option 2 gives consumers the opportunity to repay the debt in 6 to 12 months instalments. So is it then correct that with the extension a consumer must just apply by 30 June 2025 and still get the benefit if option 2 is selected to repay within 6 to 12 months.

If I can make an example, if I apply for the debt incentive scheme on 26 April 2025 and choose option 2, I will pay instalments to settle the debt till 31 October 2025 (6 months) or 28 February 2026 (12 months from the date of the Council Meeting) depending on the instalment period applied?

If this is not the case option 2 is null and void for consumers, which will exclude most consumers from benefitting from the extension as they do not have the funds for option 1 — cash settlement. Thank you, Mister Speaker.”

Cllr AF Bothma addressed the Council: “Honourable Speaker through you the Executive Mayor, as this is your report. The DA will always encourage any measures to collect the huge outstanding debtors of the MMM. Currently standing at R12 Billion. As a measure to improve cash flow in the municipality on the 28th of February 2024 council approved debt incentive scheme as a method of collection of outstanding arrears from customers.

We supported the item although some outstanding debtor amounts will have to be written off. But this is a way of cleaning the Debtors Book of uncollectable debts. A debt incentive scheme is a scheme designed to encourage consumers to settle their outstanding accounts at a lower amount than their current total outstanding debt of the consumers.

We were informed and acknowledge with settlement that from the inception of the implementation of the debt incentive scheme, a total of R150 million Rand was received from the debtor's book. The administration can be commended for this achievement. The most important part is that this large amount is from the oldest outstanding balances. The encouraging part is that the total revenue collected as a January 2025 is R91 million which is a direct contribution to the city's cash flow. The amount of R58,000,000 is the discount extended to the consumers which represents assistance from the council. This amount and future amounts should now be included in the budgeted amount for Provision of Bad Debts.

Mister Speaker, the Debt Collection Section showed that they can collect outstanding debts. And we contribute to the fact that they are in direct contact with the debtors. We further maintain that this is the best way of collecting outstanding debtors. Our own officials must be used. We as councillors experienced that there is still a high number of debtors who have raised a keen interest in utilizing the option to settle their arrears account. But due to financial constraints they can only do so after the scheduled expiration date of 28 February 2025.

All legal requirements were explained in the report, and it is clear that the municipality is legally bound to collect all outstanding debtors.

We recommend that the two options that were approved by council previously will still be applicable at the Extension of this Debt Incentive scheme. Other prescriptions stay the same. Therefore, the recommendation can be supported as it will increase the cash-flow of the municipality and address the long outstanding debtors of the Municipality. We just need clarity on the matter regarding the extension of the repay period. Thank you, Honourable Speaker."

Cllr GJ Lipale addressed the Council: "Honourable Councillors, esteemed colleagues, and fellow citizens of Mangaung, speaker we would like to start with this quote from the old man, Nelson Mandela, *"The government must create an environment that enables people to get employed, to feed themselves, to educate themselves, to improve their lives. And that is the role of the government, to create that environment, to create the conditions for people to uplift themselves."*

As a stalwarts exponent of the Economic Freedom Fighters (EFF), We underscore the paramount importance of this scheme in providing succour to our indigent residents who are grappling with the enormous burden of debt. The Debt Incentive Scheme constitutes in promoting fiscal stability and sustainability amongst our communities, thereby mitigating the deleterious consequences of debt accumulation.

We acknowledge the efficacy of the scheme in garnering a substantial R91 millions of R150 millions in revenue, a truly remarkable achievement that serves to bolster the fiscal coffers of our municipality. Nevertheless, we are cognizant that not all debts can be recuperated, owing to factors such as mortality, insolvency, and unemployment, which inevitably precipitate in collectible revenue.

Notwithstanding these challenges, we firmly believe that the Debt Incentive Scheme possesses the potential to yield numerous benefits for our residents. By providing incentives for debt repayment, we can inculcate a culture of fiscal responsibility, alleviate the oppressive burden of debt, and stimulate economic growth and development.

As the EFF, we believe that it is crucial to educate the public about the incentives that are available. We must take proactive steps to raise awareness and ensure that all residents of Mangaung are informed about the programs that can benefit them.

To achieve this, we propose that the municipality hosts an Incentives Indaba, a public gathering where residents can learn about the incentives that are available...Thank you, Honourable Speaker."

Cllr TD Tukula addressed the Council as follows: "Thank you very much Honourable Chair, let me start by observing the protocol, all protocol observed. By tabling this item at 36.3 which is the request of extension of debt incentive policy, I will start by giving an executive summary. Under the executive summary of this item, we find that on the 28th of February 2024,

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Council approved debt incentive scheme as a method of collecting outstanding arrears from consumers and this scheme which was designed to encourage the consumers to settle their outstanding accounts at a lower amount than the current total.

Since its inception of the implementation of the debt incentive scheme, a total amount of R150 million was reduced from the debtor's book and the large amount comes from the oldest outstanding balance. The total revenue collected as of January 2025 is R91 million which is a direct contribution to the city cash flow. The amount of R58 million is a discount extended to the customers which represents assistance from the council to the benefit of the consumers who are facing economic challenges as a result of covid 19 and other factors. There is still a demand of debtors who have raised a key interest in utilising the option to settle their arrears accounts but due to financial constraints they can only do so after the schedule expiring date of 28 February 2025, so it is on this basis that request for extension from 1 March to 30 June 2025 has been submitted for council consideration and approval. In those words, thank you very much I will sit down."

Cllr SQ Peter addressed the council as follows: "Mandibulele Somlomo, Speaker let me quickly try to respond to the questions raised by Councillor Marike Davies, you will notice that this policy runs a period of a year so now in most cases we will say it is in a test stage. You will remember in that period we check the effectiveness of the policy. But now the current arrangement is that if you arrange, it will a contract within a particular period for you to pay your outstanding debts and that is option B and it does not work like option A. However, I need to indicate 2 things, in our previous section 80 of finance, we discussed a number of lessons we have learned through the implementation of this scheme. Therefore, it necessitates us to sit down and revise some issues. We have seen several things that we need to improve so that it speaks to us, and it accommodates the community and addresses what we wanted to achieve. In our next submission, you will see that the policy has been revised and addresses some grey areas.

Suffice to say that a lot has been said about this policy and obviously it has done wonders in terms of revenue collection, therefore without wasting time, we recommend that we thus make an adjustment on recommendation #2 which should change or read like this; "council approves an extension from 1st March 2025 to 30th June 2025". We need to be specific, so we do not create a void, thank you very much."

Council voted as follows: 80 in favour, 0 against and 3 abstained

RESOLVED

- 1) That Council took note of the current debt incentive scheme expiry date of the 28th of February 2025.
- 2) That Council approved an extension from 1 March 2025 to **30** June 2025 for the debt incentive scheme under the same conditions as per the resolution 28/02/2024.

3.

REPORT ON THE MATTER BETWEEN MANGAUNG METROPOLITAN// CENTRAL UNIVERSITY OF TECHNOLOGY (CUT) REGARDING THE VALUATION AND CATEGORISATION OF IMMOVABLE PROPERTIES OWNED BY CUT

Cllr PA Lotriet addressed the Council: “Thank you Speaker, the report on the matter between Mangaung and CUT regarding the evaluation and categorisation of immovable properties owned by CUT. We have a dilemma in the sense that we went through the case document, and we can all agree that it is costing us a lot of money, that is 1 concern, the other concern is who are the 2 parties fighting here? It’s the metro and CUT. CUT must be our most valuable customer as it is a community organisation, this is our education, like Australians which their biggest incomes on the GDP and I am sure if we look at our institutions of learning, raises a lot of cash for the municipality. But it seems to us that if you read this problem together with what is happening in Navalsig where we denied them access to the property then you can make a logical deduction that the relationship is not healthy and maybe it has a long history. Maybe it is the fact that we get hammered on our noses by their laws, but the fact remains, our proposal is to take this matter on mediation, in the interest of both parties. And I come back again and say that they are most valuable customers. Let us try and mitigate this through mediation or perhaps arbitration which I do not like. Our Mayor is the decision-maker and the main negotiator and should seek a solution and that is what we expect from him.

We can solve this and be the adults and say we should sit down and sort this thing out, so we cannot support but we hope that you will at least consider our suggestion.”

Cllr GJ Lipale addressed the Council: “Honourable members of the council, esteemed colleagues, and fellow citizens of Mangaung, we are addressing the ongoing matter between Mangaung Municipality and the Central University of Technology (CUT) regarding ERF 26454. This issue has been a subject of contention, with the court ruling in favour of CUT on multiple occasions regarding rates and taxes from the ERF.

The repeated court rulings in favour of CUT, despite our municipality's claims of ownership, raise serious questions about the competence and effectiveness of our legal team. It is unacceptable that our municipality has failed to present a convincing case, despite having access to significant resources and expertise.

As we deliberate on this matter, it is essential to consider the legislative framework that governs land ownership and property rights in our country. The Spatial Planning and Land Use Management Act (SPLUMA) provides clarity on the roles and responsibilities of municipalities, provincial governments, and private individuals regarding land ownership and management. According to SPLUMA, if the land does not belong to a municipality it should revert to the provincial government however, if a private individual claims ownership of the land, they must - provide evidence proving their ownership and how they acquired the land.

This evidence must be substantiated through documentation, such as title deeds, and must comply with the provisions of the Deeds Registries Act 47 of 1937 and the Spatial Planning and Land Use Management Act 16 of 2013.

The persistent and lamentable losses incurred by our municipality in the courts warrant a reappraisal of our stance on this issue. It is untenable that we continue to pursue this matter, incurring substantial financial and reputational costs, only to face repeated defeat. The Constitutional Court, as the apex court, demands meticulous preparation and robust legal grounds, which, ostensibly, we have heretofore lacked.

Furthermore, the spectre of embarrassment looms large, casting a pall over our Municipality's credibility and competence. Prudence dictates that we reconsider our approach and explore alternative dispute resolution mechanisms, such as settlement negotiations. Considering the foregoing, we implore the Council to reassess our position and entertain the possibility of a settlement. This pragmatic approach will enable us to mitigate further financial losses, avoid the ignominy of repeated defeat, and redirect our energies toward more pressing municipal concerns. Let us act with fiscal responsibility, acknowledge the futility of our current approach, and seek a dignified exit from the debacle. We cannot support the embarrassment. Thank you, Honourable Speaker."

Cllr MM Mohatle addressed the council as follows: "Thank you Honourable Speaker, all the councillors and our Mayor, this matter has been going on from 2019 and we are in 2025, government departments provides essential services, their services were cut because they could not pay, so I do not see what makes the difference with CUT, the role of the constitutional court is to interpret the law and to clarify whether we are right or wrong.

If we are right, like any other debtor, they have to pay and this matter is not for voting, its for noting. We have to note that we are going to the constitutional court for clarity. So, CUT should be treated like any other debtor, thank you."

Cllr MM Letawana addressed the council as follows: " Thank you, Honourable Speaker, and Honourable councillors and the community of Mangaung. Speaker, allow me to start here and firstly, I want to direct my introduction to Councillor Lipale, it is always argued that every word we say must have a meaning, meaning all words have meaning, so moo keyang teng mona hee – haore motho ontsa ferekana, e bolela hore ha tsebe oya pele kapa oya moraro, which means wa tsekela fela and ha tsebe oya kae. So hae kaba Executive Mayor, these are my words – haekaba ka nnete, boetapele ba ANC bo ka bao bona ontso tsekela, o tsebe hee hore wena o tseleng because mona o tlisitswe hore o kene tshebetsong and o shebele pele, morao hase moo oyang teng.

The judiciary plays a crucial role in strengthening democracy by acting as a guardian of the constitution, interpreting laws, protecting rights and ensuring accountability of government, effectively serving as a check against potential abuse of power by other. Thereby upholding the principles of the rule of law and equality which are fundamental to the democratic system. We are bringing this item with the view that the judiciary will act impartial in its own decision-making process. Hence today the matter between MMM and CUT is just for interpretation and not fighting. We believe that the impartiality of the judiciary system will help both parties to come to a conclusion in an amicable way. There is no fighting here, we just say let us get a correct interpretation. What is at stake here is the public trust. Thank you."

Cllr MW Mongale addressed the council as follows: “Thank you Speaker, I was nearly taken back by the statement of Cllr Letawana, I do not like when people intimidate others, or blackmail to say we are going to remove you. I like it when people put substance and provide clarity. We are dealing with Mangaung Metro, which is the place of history of main prominent political parties in this country and this council cannot be taken for granted. The issue of the CUT and MMM, I think Cllr Bothma and Cllr Lipale, the only part I did not agree with is arbitration, which was suggest by Cllr Bothma. We should not go for the one where there will be winners and losers, we should aim for a win-win situation. We have a long relationship with CUT, and it will not end anytime soon, so let us leave the relationship in a better condition than when we found it. As councillors, there should be no winner takes all, and I am against triumphalist mentality, and we are dealing with one of our own and it is part of our heritage which should be protected. We should not rely on judges. One example was the issue of the Mayor and Mangaung, there were no lawyers as we realised that there are certain things that should be fixed.

Section 115 of MFMA indicates as amended, says it outlines the procedure for serving notices and other documents on municipal matters, including provision of serving document when a person’s advice is unknown. It further says the purpose of this 115 of MFMA is to establish a proper method of delivering legal notices and documents to individuals involved in municipal affairs, it also helps on serving methods that notice can be served by post or posting it on the property. The issue of electronic services says amendments have allowed for services via electronic mail or via other electronic mechanisms. When you go to municipal property rates act, section 49 1c, where the battle is at, it says the value of a municipality must submit the certified evaluation roll to the municipal manager and the manager must within 21 days of receipt of the roll, publish the prescribed form in the provincial gazette and once a week, 2 consecutive weeks, advertise it 2 times in the week. When you go to 1C, it says and serve the other party by ordinary mail or if appropriate, in accordance with section 115 of the municipal systems act which I have read, on every owner of property listen in the valuation roll, the copy of notice together with, an extract of the valuation roll pertaining to the owners’ property. Here it tells you that maybe let me read this section also, on section 115 of Municipal Systems Act, it says that as amended by substitution in the systems act says any notice or other documents that is served on a person in terms of this act or by municipality in terms of any other legislation being served. Here the debate is whether the document was served or not and the 3 courts have decided that the document was not served as it was not delivered to Mrs Van Niekerk, I am saying as an institution, we should aim for mediation as it will help us to build a relationship.”

Cllr VE De Kock addressed the council as follows: “Thank you Speaker, since the item is for noting, we as the FF plus have the following questions.

1. How much was already spent since 2019 on these procedures?
2. What kind of performance review mechanism does the municipality have in place for the legal department to ensure that they are fulfilling their duties effectively?
3. Can you confirm whether a full review is being conducted in the departments’ repeated failure in the CUT case?
4. Why does it appear that municipality’s legal departments are failing to apply legal measures?
5. Is it just a case of sound legal advice?

6. What steps are being taken to evaluate the legal strategy before the municipality finds itself being penalised for being claims with no success?
7. Can we please stop throwing good money after bad debt and accept that our legal department was outsmarted by CUT. Are we holding our legal department accountable for going to court and always failing. If the legal department is not accountable, who decides to proceed with these cases?

Given financial implications of these referrals to the constitutional, we suggest a recommendation should approve this referral.”

Executive Mayor responded as follows: “I think just to give a kind of guidance on the matter is that we are not owing what we owed Ntate Lipale, but because you mentioned it, I will not be harsh to you today. The man I lived with in the hey days of apartheid underground so because you are his product by design, my by-product so I am happy with that.

Speaker there is wisdom that is coming from councillors that is guided by the arrangement we have with CUT in terms with coming to have a meeting and part of it is the issue being discussed. We can only arrange an engagement once we have reached an agreement then we can approach a court and say there is a settlement. I must indicate that precedent should not be set with one institution that can lead to another. If you look at the document carefully, you will come to realise that it does not only speak about the contradiction between the 2, it speaks about principles, whether this is a business entity or a public entity and what is the relationship thereof. But such things cannot be done without coming to council to inform of the problem.

It is a procedural matter that we are doing to come here, but in terms of finding a lasting solution, I appreciate the matter in which colleagues are applying their mind. Safe to say, arbitration and court processes are equivalent, they speak to one another, and their decisions are both binding. Thank you”

Cllr M Wewege seconded Cllr VE De Kock.

Cllr PA Lotriet requested to pose a question to the Executive Mayor: “Speaker – Executive Mayor through you Speaker, will you give us the insurance that if it looks like you want to continue with the court case and you want to go to the constitutional court and you will get a judgement, and they will make up their mind. But the money on the table for CUT is a different matter, can we get assurance that after all these processes are done, we will go to CUT and make arrangements.”

Cllr GJ Lipale addressed the council as follows: “Mayor my submission is not about much but what I was saying is that we need to look at the facts, that we have a responsibility to look after CUT and we cannot afford to increase the settlement. It is our institution, and we need to find each other, thank you.”

Executive Mayor responded as follows: “Speaker I probably might have said it in which is not my mother tongue, and I wanted to say it in Afrikaans, but it is not fine as well.

Let me put it this way, when I say there is wisdom from councillors, its an acknowledgment of what the council is saying, included in the discussions held with CUT, consider bargaining all items including this one which is also one of the items of the agenda, like our posture but that considerations is made on 2 grounds, that we should not lose to allow setting precedents for other institutions of a similar nature to take the route and want to coerce the council to lose its modality of connection, we need to weigh the amount of money, there are cases that we can chase, that in their nature, we must emerge victorious if we win because we must get value, but there are cases when you chase them, they have ripple effects of the money and relationships. So, it's a matter that has been presented before us and it's a modality that we must employ in our processes. The point I was raising is that a negotiated settlement is not given. What I am saying is that the issue we are bringing is what the council has agreed upon in the past."

As this item is for noting, the Council did not vote.

It was thereupon

RESOLVED that Council took note of this report and the further steps intended by referring this matter to the Constitutional Court.

4.

REQUEST FOR COUNCIL TO APPROVE THE TERMS OF REFERENCE OF THE DISCIPLINARY BOARD TO INVESTIGATE ALLEGATIONS OF FINANCIAL MISCONDUCT IN MANGAUNG METROPOLITAN MUNICIPALITY

Cllr PA Lotriet addressed the council as follows: "Thank you Speaker, we welcome these terms of reference of the disciplinary board. Fact of the matter is based on the law and regulations from the minister of finance, we will implement it, and we will judge the validity of our own policy as time goes by. We will support this, thank you.

Cllr MW Mongale addressed the council as follows: "Thank you, Honourable Speaker, Dr Mathae, there are some issues I needed clarity on or maybe an emphasis because the recommendations are fine, it is only these 2 elements that are worrying me on item 9 which talk about reporting of allegations of financial misconduct which says that any person must report an allegation of financial misconduct in terms of section 3(1) of the regulation on a confidential basis. Meaning that we have to adopt reporting procedures, now the 2nd bullet says the municipality must make public the reporting procedure of the municipal systems act, here also it is calling upon us to say if those reporting procedures are adopted, they must be published, I wanted that element to be taken serious as we might be sitting with an egg on our face if we do not publish them as we cannot act upon them as they are illegal. I was just focusing on that to say let us do our things properly. I am pleading with the council to follow all the processes, and it must be taken seriously. That was my humble submission to the council, I hope my warning is heard with a humble heart."

Cllr GJ Lipale addressed the Council: “Honourable members of the council, esteemed colleagues, and fellow citizens of Mangaung, we rise to address the egregious issue of financial malfeasance that has been plaguing our municipality. As the EFF, we have consistently emphasized the imperative of transparency, accountability, and probity in governance.

We acknowledge that disciplinary hearings are important in addressing financial misconduct, and we have no objection to these hearings being conducted in a fair, impartial, and judicious manner. However, we will not remain passive or supine if these hearings are utilized as a tool to target individuals who dissent from their counterparts, thereby perpetuating a culture of political persecution and victimization.

The Municipal Finance Management Act (MFMA) is unequivocal on the matter of financial misconduct. Section 171 of the MFMA stipulates that a municipal official who commits financial misconduct is liable for disciplinary action, thereby underscoring the importance of accountability and transparency in governance.

Furthermore, the Constitution of South Africa emphasizes the principle of co-operative governance “(Section 41 (1)). This provision underscores the imperative of transparency, accountability, and responsiveness in governance.

In addition, the Municipal Systems Act (MSA) and the Municipal Structures Act (MSC) provide guidelines for addressing financial misconduct. The MSA stipulates that a municipality must “ensure that its financial management is transparent, accountable, and responsive to the needs of the community” (Section 72(1)). The MSC, on the other hand, emphasizes the importance of accountability and transparency in municipal governance, stating that “a municipal council must ensure that its decisions are taken in an open and transparent manner” (Section 29(1)).

As the EFF, we will continue to advocate for transparency, accountability, and fairness in all disciplinary hearings related to financial misconduct. We will not tolerate any attempts to use these hearings as a tool for political persecution or to stifle dissent. Instead, we will work tirelessly to ensure that those who have committed financial misconduct are held accountable, and that our municipality is governed in a transparent, accountable, and responsive manner. We see nothing wrong with the Terms of Reference, which provide a framework for addressing financial misconduct in a fair, transparent, and accountable manner.

In conclusion, we urge the council to prioritize, transparency, accountability, and probity in governance, and to ensure that those who have committed financial misconduct are held accountable. The item is supported by the EFF for the above-mentioned reasons. Thank you.”

Cllr M Wewege addressed the Council: “Thank you, Mister Speaker. The report provided looks good on paper. However, based on past experience in the Mangaung Metro, the Freedom Front Plus knows by now that no project from the ANC-led government is ever worth the paper it is written on. That being said, let us move on to the business of the day.

The Freedom Front Plus welcomes the establishment of a board that aims to curb corruption. However, the sad reality is that there are already existing committees, namely:

the Auditor-General, MPAC, and the Audit Committee—tasked with oversight. Unfortunately, the ANC-led government lacks the political will to implement the corrective measures these committees recommend.

What purpose, then, will this new board serve? Especially considering that its members will receive remuneration from the already bankrupt Mangaung Metro Municipality. The real question is whether this will simply be another case of fruitless and wasteful expenditure by the ruling party. I thank you, Speaker.”

Cllr MM Letawana addressed the council as follows: “Thank you Honourable Speaker, I am not going to comment but let me rather say that the body which is the financial misconduct board will assist this council on critical matters. I mention council because there is nowhere in the document where it refers to the ANC, this body will assist the council, it remains our collective responsibility as this council to ensure transparency, uphold ethical standards and foster a culture of accountability. As we move forward, we must remain steadfast in our commitment to rectify any issue brought to this council. Together we shall build a more resilient governance to our communities. Thank you and we support the item.”

Cllr CL Kruger addressed the council as follows: “Thank you Honourable Speaker, the disciplinary board is an independent and advisory board, one of the issues we are crying about is the fact that there is no consequence management so when we bring these structures, oppositions also complain that there is no consequence management, they complain if we bring in a body that will deal with such. The 2nd point says the disciplinary board provides recommendations of further steps to be taken against offenders; we cannot use this platform for cheap political grandstanding. Go to the ground and convince masses, but we bring this to save the municipality, thank you.”

Councillor PA Lotriet raised a point of clarity as follows: “I just want to ask Cllr Kruger, who is disagreeing with her, and what did we say that offended her because everybody agreed with her, thank you.”

Cllr Kruger clarified that her statement was clearly directed to the FF Plus only.

It was thereupon unanimously

RESOLVED that the Council approved the Terms of Reference for the Disciplinary Financial Misconduct Board at Mangaung Metropolitan Municipality.

5.

REPORT ON FUNCTIONALITY OF THE RETIREMENT FUNDS

Cllr VE De Kock addressed the Council: “Mister Speaker, the functionality of our Retirement Funds is not just a bureaucratic concern. It is about the lives and livelihoods of those who dedicated their careers to serving the Metro and its people. It is with concern that we acknowledge the complaints from former employees.

This is not just an issue of finance. It is an issue of trust and integrity. We acknowledge the City Manager for the proactive step of referring the matter to Corporate Services for intervention and assistance and are grateful for the High Court ruling that favoured our employees. This ruling serves as a beacon of hope for those who have felt abandoned by the systems meant to protect them. However, we must not allow ourselves to be lulled into complacency by these initial steps. We must insist that we apply more than sufficient pressure on the Retirement Funds to fulfil their obligations in every aspect.

Our employees and those Councillors still on the fund have and are still serving this Metro with dedication and commitment. They deserve to receive the benefits they have worked hard for. We cannot afford to fail them. Looking towards the future we must also consider those who are still in service and those who will soon retire. They too will rely on these funds. It is our duty to ensure that the systems in place are not only functional but fair and equitable. We owe it to all employees to create a framework that protects their rights and secures their futures. Thank you, Speaker.”

Cllr MW Mongale addressed the Council: “Thank you Speaker. As I was reading the document, I said I hope the SAMWU in me does not rise but the councillor in me must rise. The issue here is that when I was reading the documents, one document that I was reading, I argued with the document and saying I do not think it carries the message that it has been brought to us as councillors. When I read the 2nd document which deals with SALA, then I realised I was correct, or I need to be corrected by this house. Let me get to the point so we can deal with it properly.

Under functionality of retirement funds, there is a place where the municipality under the heading financial implications which says employees are not paid what is due to them though municipality regularly pays their monthly contributions. We are playing our part and doing what we supposed to do but it seems like the pension funds are not playing their part in terms of honouring obligations but when you go deeper into the documents on item 6 on SALA, you kick up there that it says the delay from 2021 till date, which is very disturbing because it tells you that part of the reason workers could not get 2-pot system is because pension funds must also be adjudicated by the ombudsman or pension fund adjudicator where they have to say this is the actual amount they must get. If there has been an agreement from 1st of April 2021 on the increase of SALA pension fund, it was not affected, and that raises questions to say there has been a crisis. Unfortunately, the pension fund calculations are done by qualified individuals, who are the specialists. There could not be any speculations as there was no money in the kit of respective employees that is why we are sitting with this dilemma. Municipality is in arrears as of 1st April 2021 and that needs to be corrected today because it is in your document. Item 6 on the document indicates shortfalls or I need to correct regarding the document.

Another catastrophe is that why do you discuss only 1 pension fund when you have acknowledged that we have 4 pension funds that are functioning in the municipality, we need consistency and uniform application of benefits. The 2 documents are contradicting themselves on functionality and the contributions of pension funds. That is what I am raising, thank you."

Cllr LW Lekgetho addressed the Council: "Speaker, I think Councillor of AASD does not read because on the item that was supplied by the officials to us, on page 1 there is a letter, I want to read it to him 'the financial directors received a request to pay arrears contributions to SALA as a result of notice that was issued to as per the letter dated 26 March 2021 to all Mayors and members of MAYCO. Upon engagement with HR and payroll it came to our adjustment, premium has not been effective as since the notification attached as annexure 1.

On the 1st of July 2018, SALA pension fund was confirmed to be 96% funded, this was found to be at risk by financial sector conduct authority. SALGA has advised our municipality to comply with SALA on pension contribution adjustment, even if there is no provision on collective agreement, that enable SALGA to interfere, clause 2.3 stated the objective to provide uniform benefits of contribution to employees. Even if we knew the increase should have been affected as the determination by SFC is binding to all participants in municipalities by implementing the adjustment to avoid unintended consequences where SALA may want to recover the differences as our contribution may be in arrears.

The items are 2, council must note this item (5), the 2nd item is council must approve and implement item (6) as the ANC we support the recommendation as stated in the whole document. Thank you"

Cllr Mongale on a Point Of Order stated that the 2 items were contradicting, as one item indicates that there are no arrears, yet the other item indicates that there are arrears.

Cllr DL Malebo addressed the Council: "Let me take this opportunity to greet and welcome the first respondent of the EFF in the Free State, the portfolio committee of legislature. Let me start with this special quote from Kofi Annan, "A pension is a fundamental right, and its provision is essential for ensuring the economic security and dignity of older persons.

In light of the burgeoning concerns surrounding the management of retirement funds within our municipality, we stand to interrogate the opaque modalities governing the allocation of employee pension deductions.

The lacuna in transparency regarding the destination and utilization of these funds is an egregious anomaly that warrants immediate redress. As the EFF, we insist on being apprised of the precise mechanisms governing the management and disbursement of these funds, which are earmarked for securing the financial futures of our employees.

The ineptitude of municipal officials tasked with overseeing these pension funds is a reprehensible dereliction of duty. The Municipal Workers Retirement Fund, which is statutorily mandated to ensure the prudent management of these funds, has demonstrably failed to discharge its fiduciary responsibilities with requisite diligence and transparency.

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We cannot countenance a situation wherein our employees hard earned retirement savings are jeopardized by the incompetence and malfeasance of those entrusted with their stewardship. It is imperative that we take immediate and decisive action to rectify these egregious anomalies, ensure transparency and accountability, and guarantee the integrity and security of our employees' retirement funds

We pose the following interrogatories to the Council:

- What are the precise modalities governing the allocation and utilization of employee pension deductions?
- How do municipal officials entrusted with overseeing these funds discharge their fiduciary responsibilities, and what measures are in place to ensure transparency and accountability?
- What remedial actions will be taken to address the egregious incompetence and malfeasance of municipal officials tasked with managing these pension funds?

We owe it to our employees to ensure that their retirement funds are managed with transparency, accountability, and probity.

On SALA Pension funds: The SALA (South Africa Local Authority) management by the Mangaung Municipality is marred by opacity; incompetence, 'and malfeasance: •The Slack off transparency regarding pension deductions and allocations is an egregious anomaly warranting immediate redress.

The Municipal Workers pension Fund's (SALA) ineptitude in discharging its fiduciary responsibilities has jeopardized employees' retirement savings. Urgent remedial action is necessary to ensure transparency, accountability, and probity in the management of these funds. The amount of R15 Million mentioned of areas can be paid to bring the fund up to date, to ease the pressure and stress of employees.

Transparency, accountability, and probity must be ensured to safeguard employees' retirement funds. Our support is contingent upon the implementation of the recommendations we have tabled.

Hake qetela, Speaker, haeba kea fosa otl'a ntukisa. Rona jwalo ka balekgotla ba EFF re nale kgoao ka ditekete tsa papadi ya bolo tseo re tsibiswang ka tsona ha ho setse metsotso e mashome a merero pele papadi e qala re kopa le elokiswe taba eo. Thank you."

Cllr PA Lotriet addressed the Council: "Thank you Speaker, these items that we combined must have gone to the Mayor and he checked them and looked at all the facts before taking them to council. Through you to the Mayor, you have 2 officials, and I won't mention names to make that decision on this information, fact of the matter is not what is written but what jumps out between the lines that is of concern. We have concerns that both the content and intent of these items should be sent for forensic investigations. There is too much information short here. Thank you."

Cllr Wewege addressed the Council: “Honourable Speaker, this incident is costing the municipality R3.7 million and it can only be attributed to negligence. Who was the official responsible for ensuring that payments are made correctly and that adjustments are implemented? This is yet another case of fruitless and wasteful expenditure. The FFPlus proposes that given the investigation into certain officials, this matter should also be included. Someone has to take responsibility for this negligence.”

Cllr MM Letawana responded to the Council: “The first item which is item 5 that deals with the report on that functionality is just based on the complaints that were received as and when they approach their fund that they only noticed that there were challenges at that time so the issue ya membership must not lose sight that it becomes an individual responsibility. As and when we deduct a fee that goes to a pension fund, it is me who authorises a request the employer such a deduction so its only at that time when they report that we pick up such issues and I think that relates to number 5. Number 6 which deals with SALA - I might have missed something Cllr Mongale on the document, but I commit that we shall still go back and verify if what is here is accurate. The item refers to SALA which has granted the adjustment to make up for the shortfall in the assets and liabilities, that is why item only talks about that, if there is anything we missed Councillors, we shall have to go back and address, but those items deal only on the basis of merits that were submitted. Thank you.”

Executive Mayor stated that the DA Councillor should formalise his allegation and forward it in writing so it could be attended to.

Council voted as follows: 50 in favour, 0 against and 32 abstained.

It was thereupon

RESOLVED that Council noted the development on the retirement fund administration and be aware of the matter as employees present their dissatisfaction at the employer’s premises as we are the one’s deducting their contribution.

6.

INCREASE IN SALA PENSION FUND CONTRIBUTIONS

The item was discussed and voted for simultaneously with item 36.5.

Council voted as follows: 50 in favour, 0 against and 32 abstained.

RESOLVED that:

1. The Municipality implements the decision of the SALA Board to increase the employer and employee contribution as made by members of the scheme with effect from 1 April 2021.

8D

2. The amounts in arrears be settled and aid by means of a direct payment, from Pension Fund Contributions budget, and shall later determine the budgetary requirements in the adjustment budget to cover the costs for the year.
3. Council acknowledged an amount of R15 430 434.34 as arrear amounts of contributions including interest, and as such authorises the City Manager or his delegate to make the payment. This balance is at 31st October 2024, the final payment will be based on the final invoice.
4. Ensure that members of SALA who are employees of the Municipality are settled accordingly for those who retired from the pension fund between the effective date of the increase and the date of payment of the arrears.
5. A separate item be submitted to MPAC to expatiate on the delays for the processing of the payment as this has incurred interest charges and may lead to criminal prosecution of the City Manager if payments are not made.

7.

RATIFICATION OF EVERGREEN CONTRACTS IDENTIFIED DURING THE DEVELOPMENT OF FINANCIAL RECOVERY PLAN

Cllr GDP Kotze addressed the Council: “Mister Speaker, The Democratic Alliance will support this item but wishes to bring the following concerns to the attention of Mangaung residents.

At our previous Council meeting on 31 January, the Audit Committee Chair informed the council that our ICT department employs 47 staff members, yet only 7 of them are actually qualified for the work they are supposed to do.

Our service provider, BCX, which is responsible for software maintenance, charges the following exorbitant hourly rates:

- Junior Consultant: R950 per hour
- Senior Consultant: R1,470 per hour
- Principal Consultant: R1,615 per hour

These rates exclude VAT, travel time, travel kilometres, accommodation, car rental, and air travel costs. Mangaung Metro pays R6.2 million annually for maintenance on the Financial Management System—yet this amount does not include disaster recovery. Additionally, the Reporting Dashboard costs R75,000 annually but also lacks disaster recovery, as does the document management system. Despite our financial crisis, Mangaung Metro fails to utilize several available management systems, including:

- Performance Management System
- Indigent Management System
- Cemetery Management System
- Credit Control and Debt Management System
- Supply Chain Management System
- Fleet Management System
- Project Management System ...”

The Speaker interrupted and requested the Councillor to stay relevant to the item after a point of order was made by Cllr MM Letawana. Thereafter Cllr GDP Kotze continued as follows:

“One has to ask why? We are also spending a significant amount of money on the SOLAR system, yet residents are not getting value for money. Here are just a few of the frustrations they have faced:

- This week, a resident received a municipal bill of R61 million.
- Some residents have received debt notices via email, not from an official attorney or debt collector.
- When requesting a detailed account breakdown, residents must do the work on behalf of the attorney or debt collector, as they are only provided with a lump sum for collection.
- When residents inquire at the metro, they are given only a three-month SOLAR printout—nothing more.

The reality is that customers have no protection because the ANC refuses to establish an independent ombudsman. This level of financial mismanagement and inefficiency is unacceptable, and it is time for real accountability in Mangaung Metro. Hoe lank moet inwoners nog geld spandeer op stelsels wat die belasting betaler in die steek laat en die ANC verryk met hul korrupsie. I thank you.”

Cllr MW Mongale addressed the Council: “Thank you Honourable Speaker, Dr Mathae. On this item I will like the Councillors to get back to their cool and not be emotional because we are dealing with matters whereby some of these contracts are coming to an end and there is a request for an extension but there are also a lot of elements that are missing. Some of these elements is whether all these systems perform to the expected level of municipality, was it value for money? Are there other competing institutions that can provide better service at better rates. Once we look at those issues, we can address serious issues and address the FRP. But we must not be subjected to an experiment, but we deal with a system that can be tested either with trial run to show that the system is working and can yield expected results.

Remember as AASD we are jealous about local economic development, we like to see out of all those companies, how many are local companies, and I am not referring to South Africa as a whole but Mangaung, if either one of them is from Mangaung, the issue is what have we done in trying to identify if there are no businesses in Mangaung that can be able to perform the same functions so that we can replace them. We come from an investment summit; we agreed to grow the economy of Mangaung and that will be achieved by keeping the money in the metro. I am not saying we must be reckless and replace a functioning system with something that is not functionable. There should be succession planning where the system says if contracts come to an end, we must have identified follow up companies that will be given an opportunity to run the system and all that I am saying here is that Mangaung should have considered women, people with disabilities and local people when they look at those companies. Thank you.”

Cllr DL Malebo addressed the Council: “Kealeboha Motsamaisi wa dipuisano, setshaba sa Mangaung, balekgotla bahlomphehileng, dumelang! We rise to address the ratification of evergreen contracts identified during the development of the financial recovery plan.

As the EFF, we firmly believe in building state capacity to avoid the pitfalls of long contracts with private companies that drain the municipality's resources. This conviction stems from our understanding that state capacity is crucial in driving social and economic development. We recognize that corruption has undermined state capacity in the past, and it is imperative that we address this issue head-on to build a more effective and accountable government.

The ratification of certain companies providing work for the municipality for extended periods, with the stipulation that the company can only use or fix technology it provides, has both advantages and disadvantages. On one hand, long-term agreements can ensure consistency and stability in service provision, expertise, and specialization. They can also facilitate innovation and technology updates, streamlined processes, long-term relationships, - investment incentives, and improved service delivery.

9B

On the other hand, we must acknowledge the potential drawbacks long-term contract can lead to a lack of competition, dependency on one vendor, reduced flexibility, potential for monopolistic behaviour, limited access to diverse technologies, risk of high costs, potential for corruption, and risk of contract non-performance.

To mitigate these disadvantages, we recommend regular contract reviews, performance-based contracts, transparency, and accountability in contract awarding and management processes. We must also promote competition, incorporate flexibility into contracts, and ensure that our procurement processes are fair, transparent, and equitable.

We have previously raised questions regarding the contract with Schindle, which has been in place since 1969. We question why this contract was not reviewed and potentially terminated in 1994, following the transition to democracy. We also seek clarity on the costs associated with the Remrad contract, specifically the cost of one-way radios, and whether alternative technological methods have been explored.

Furthermore, we have concerns regarding the BCX contract and the excessive overtime costs incurred. We question whether it is necessary to procure the services of BCX, given the municipality's existing capacity.

As we consider the ratification of extension of contracts, we would like to emphasize the importance of empowering Black-owned businesses. It is imperative that we prioritize the allocation of contracts to historically disadvantaged individuals and companies, in line with our country's transformation agenda. By doing so, we can promote economic inclusivity, stimulate local economic growth, and address the lingering imbalances of our apartheid past.

Furthermore, we strongly advocate for the consideration of businesses that operate similarly to those that have had longstanding contracts with the municipality. These businesses have demonstrated their capabilities, and they hold same quality service as these whites' counterparts' businesses.

In conclusion, we urge the Council to exercise caution when ratifying these contracts. We must ensure that our procurement processes are transparent, equitable, and in the best interests of the municipality and its citizens. We can only support this if our proposals are considered."

Cllr MS Majoro addressed the Council: "Thank you Speaker and all officials and Councillors, it is within outmost humility and sense of privilege and profound honour that I stand before you. I must thank my political home the ANC for entrusting us with these duties following the current discussion on the FRP at the municipal council meeting, we ask action on the ratification of Evergreen contracts, these contracts played a critical role in ensuring the sustainability and success of our recovery plan.

It is imperative that we move swiftly to ratify these contracts to facilitate the smooth implementation of financial recovery plan by doing that, we did establish a solid foundation for long term growth in our municipality.

We kindly request our support and cooperation in expediting the ratification process, your timely action on this matter will be instrumental in achieving our shared goal of revitalising our community and ensuring a prosperous future. My honourable Whip Mme Mohatle will take. I thank you.”

Councillor MS Mohatle addressed the Council: “Thank you Honourable Speaker, usually I sit down and listen, I do not talk much in Council. What surprises me always is that according to municipal structures act, we have a structure called section 80 where all the parties sit and discuss documents before they come to Council. This document when we tabled it we will agree and when people come to Council, ba fetoha. Otlwa utlwa o maketse hore na batho ba ke bona ne re dutse le bona re discuss’a di document tsena and the other thing that surprises me also, is that there is no chorus in Council ya corruption ya ANC. People ha ba tsebe hore we have anti-corruption act e qadileng ho tloha ka 1992 e ntse ammend’uwa ereng when you know there is corruption, you are obliged to report that corruption, you should not come to Council and elaborate and tell us how corrupt you are, yet you failed to go and report that corruption.

We were sitting in our section 80, and we agreed that this Evergreen contracts, some of them need to be reviewed, some of them need to continue. Di lift do not have any problems, di ka lokiswa fela kanna di a palamwa until di re diela fatshe. Ha di so re diye, ha di so re kwalle so there is no need yah ore di ka nchafatswa, but there are some of our systems like tse ka hare ho Telemetry BCX and others that needs to be reviewed, re bone hore na can we maybe advertise and get contracts. Now people are talking about advertisements, there will be corruption. Everytime people grandstand in council about corruption, they should go to police station and report it. Thank you.”

It was thereupon unanimously

RESOLVED that

1. Council approved the extension of the contracts with Otis, Schindle Pty Limited and Remrad Telemetry System.
2. Council approved the extension of licence renewal, support and maintenance of the following systems being BCX for SOLAR, Payday for HR and Payroll System, HR Focus for HR System, Procurex for Law Enforcement System and Web-based Cemetery Management System.
3. That in case of third-party systems that are part of Business Processes for an integrated information management system, that integration with the core-financial management system be implemented as part of mSCOA Project.
4. That the extension is granted for annual renewal of licenses.
5. Where necessary, that Council enter into maintenance contract (OTIS, Schindler and Telemetry) on an annual basis until it is decided that the systems are obsolete and cannot be extended further as a result of technology developments and needs of the City.

37	REPORTS FROM THE SPEAKER
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None.

NOTED.

38	REPORTS FROM MPAC
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None.

NOTED.

39	REPORTS FROM AUDIT COMMITTEE
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None.

NOTED.

40	IN COMMITTEE REPORTS
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None.

NOTED.

41	CLOSING OF THE SPECIAL COUNCIL MEETING
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The meeting officially closed at 14h00.

SECRETARIAT UNIT
COMMITTEE SERVICES