CONFIDENTIAL

MINUTES OF A SPECIAL MEETING

MANGAUNG METROPOLITAN MUNICIPAL COUNCIL

COUNCIL CHAMBER
FIRST FLOOR
BRAM FISCHER BUILDING
BLOEMFONTEIN

THURSDAY
26 FEBRUARY 2026
AT 10H00

MANGAUNG METROPOLITAN MUNICIPALITY

MINUTES OF A SPECIAL MEETING
of the
MANGAUNG METROPOLITAN MUNICIPAL COUNCIL
held IN THE COUNCIL CHAMBER, FIRST FLOOR, BRAM FISCHER BUILDING
BLOEMFONTEIN
on THURSDAY, 26 FEBRUARY 2026 at 10:00

ATTENDANCE REGISTER

#	NAME	PARTY	LEAVE
1	Speaker Cllr Mathae (Bongani Lawrence)	ANC	
2	Executive Mayor Cllr Nthatisi (Gregory Mosala Solomon)	ANC	
3	Deputy Executive Mayor Cllr Titi-Odili (Lulama Magdeline)	ANC	
4	Council Whip Cllr Nikelo (Vumile Edwin)	ANC 28	
SECTION 79 CHAIRPERSONS			
5	Rules Cllr Mokgothu (Tona Kenosi Wilfred)	ANC 2	
6	MPAC Cllr Makoloane (Itumeleng Justice)	ANC 36	
7	Petitions and Community Liaison Cllr Morake (Molefi Andries)	ANC	
8	Remunerations Cllr Tladi (Motshewa Martha)	ANC	
9	Public Places and Street Naming Cllr Mogotloane (Thabo Joel)	ANC 39	
MEMBERS OF MAYORAL COMMITTEE			
10	MMC: Corporate Services Cllr SP Tsoleli	ANC	
11	MMC: Community Services Cllr A Qai	AIC	
12	MMC: Economic Development Cllr MM Letawana	ANC	
13	MMC: IDP and Performance Management Cllr MT Mosala	ANC 11	
14	MMC: Planning and Human Settlements Cllr NA Nhlapo	ANC	
15	MMC: Public Safety and Transport Cllr CL Kruger	ANC 16	
16	MMC: Agriculture and Rural Development Cllr PS Twala	ATM	
17	MMC: Technical Services Cllr VS Soqaga	ANC	
18	MMC: Waste & Fleet Management Cllr VE Jonas	ANC	

PR COUNCILLORS			
19	Cllr Bothma (Andries Francois)	DA	
20	Cllr Bouwer (Chadwine Lyle)	DA	
21	Cllr Davies (Maryke)	DA	Absent with apology
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	
26	Cllr Ferreira (Thomas Ignatius)	DA	
27	Cllr Klaasen Raynie Sarah	DA	
28	Cllr Letsoko (Mantwa Sanah)	EFF	
29	Cllr Lipale (Gopolang Jeremiah)	EFF	
30	Cllr Makau (Pitso Elias)	EFF	
31	Cllr Malebo (Deliwe Lettia)	EFF	
32	Cllr Maliela (Motiki Edwin)	DA	Absent with apology
33	Cllr Matobole (Mosala Abel)	DA	
34	Cllr Matsoetlane (Maditaba Joyce)	ANC	
35	Cllr Mhlakaza (Malwande Nicolson)	DA	
36	Cllr Mogotsi (Mamahlape Elisa)	EFF	
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	
42	Cllr Njiva-Lebajoa (Mamotse)	DA	
43	Cllr Phohleli (Tsholwane Eddy)	EFF	

44	**Cllr Phupha (Ntsoaki Agnes)**	**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**	
49	**Cllr Shale (Nkahiseng Reginah)**	**EFF**	
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**	**Absent with apology**
64	**Cllr Tlhakung (Betty Masetlhabi)**	**ANC 9**	
65	**Cllr Setlai (Teboho Lesley)**	**ANC 10**	
66	**Cllr Hashatsi (Rafedile)**	**ANC 12**	
67	**Cllr Sitoe (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	
72	Cllr Peter (Seth Qondile)	ANC 19	
73	Cllr van Rensburg (Corize)	20 DA	
74	Cllr Lotriet (Pieter Adam)	DA 21	Absent with apology
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	Absent with apology
99	Cllr Lekhwele (Mohanuwa Julia)	ANC 49	
100	Cllr Monare (Thabo Nicholus)	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	ACTING HOD: CORPORATE SERVICES	MR PULE MOLALENYANE
6	ACTING HOD: PUBLIC SAFETY AND TRANSPORT	MR B BARNES
7	HOD: COMMUNITY SERVICES	DR T THINDA
8	HEAD OFFICE OF DEPUTY EXECUTIVE MAYOR	MS B MNCUBE
9	GM: COMMITTEE SERVICES	MS XOLISWA QILO
10	ACTING MANAGER: COUNCIL SUPPORT	MS RINA MAMATELA

Note by Secretariat

1. **Attendance Register:** Every member attending a meeting <u>shall</u> sign his/her name in the attendance register kept for this purpose <u>before</u> the commencement of the meeting.

2. **Leave Register:** In order to streamline administrative processes Councillors are humbly requested to submit applications for leave of absence in the appropriate register kept for this purpose. Members are requested to fill in this register <u>12 hours before the commencement of the meeting</u> (Rule 22.2) (Leave Form).

3. **Name-plates:** Councillors are humbly requested to please take along their nameplates and to display it throughout the meeting**.**

4. **Apologies during the course of the Council meeting:** Councillors are humbly requested to complete in full and submit <u>the relevant apology form</u> 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:

   <u>Attendance at Meetings:</u> 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. (Rule 12.1)

   ii. Cellular phones **must be in silent mode** and **speaking on a cellular phone during the meeting is prohibited**. (Rule 50.2a)

   iii. A Councillor who speaks must **confine his or her speech strictly to the matter under discussion.** (Rule 31)

   iv. Unless expressly otherwise determined, a Councillor **may speak only once on a matter.** (Rule 32)

   v. No speech shall exceed **five (5) minutes** in length without the consent of the Speaker. (Rule 34.1)

   vi. Council members are reminded to uphold high level of good conduct during Council proceedings (No disruptions, no interruptions, no howling, no swearing to other Council members, less movement in the Chamber, no abuse of the PA system).

INDEX

28	**REPORTS FROM AUDIT AND PERFOMANCE COMMITTEE**	
	NONE	**12B**
29	**REPORTS ON WARD COMMITTEES/CONSOLIDATED REPORT ON WARD COMMITTES**	
	NONE	**12B**
30	**REPORT ON SALGA ACTIVITIES**	
	NONE	**12B**
31	**IN COMMITTEE REPORTS**	
	NONE	**12C**
32	**NOTICE OF MOTION**	
	NONE	**12C**
33	**CLOSING OF THE SPECIAL COUNCIL MEETING**	

MINUTES
(OPEN COUNCIL)

19.
OPENING: MOMENT OF REFLECTION

The meeting commenced at 10h09 to allow members to be seated.

The Speaker requested all to observe a moment of silent contemplation for meditation and prayers. He announced that 71 Councillors were in attendance and thus constituting a quorum.

The Speaker acknowledged and welcomed the Executive Mayor, Depuy Executive Mayor, Council Whip, Members of the Mayoral Committee, Chairpersons of Section 79 Committees, Whips of different political parties, Councillors, Chairperson of the Audit and Performance Committee, City Manager and HODs from both Centlec and Mangaung, Council Secretariat, media and the community of Mangaung Metro Municipality.

NOTED.

20.
NOTICE OF THE MEETING

The Speaker read the notice as outlined on page 2 of the agenda. The Speaker furthermore stated that the notice was also posted on the Municipality's Facebook page.

NOTED.

21.
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.

22.
ACCEPTANCE OF THE AGENDA

Council Whip, Cllr VE Nikelo: "Honourable Speaker, before the meeting can carry on we had a brief discussion with the multi-party regarding the supplementary agenda therefore we are requesting a caucus of 10 minutes.

Councillor MW Mongale: "As the Council is about to break for caucus, it would be wise to discuss the issue I raised at the last Council meeting regarding SALGA. This issue is never included on the agenda. SALGA never comes to Council to hear our opinion regarding legislation."

The Speaker granted a 10-minute caucus. Thereafter the Council Whip, Councillor VE Nikelo gave feedback on the caucus: "We decided that the meeting will proceed with the two supplementary agenda items."

Councillor E Snyman Van Deventer: "We cannot move with that because at the previous meeting because the FFPlus warned Council before that they would not allow a supplementary item again even this item was not submitted within the 48hr rule therefore we propose the adoption of the agenda without the supplementary item."

Councillor BJ Viviers seconded the proposal made by Councillor E Snyman Van Deventer and further highlighted that, if the Council remembers, the DA honours the Standing Rules and Orders.

Councillor MW Mongale: "I want to ask the DA and FFPlus to withdraw their proposal of not considering the supplementary item. Perhaps the reason why they do not want to agree to the supplementary item is because an explanation was not given. Regarding the Upper limits, it was not the fault of the Municipality, however, it came from National side. On the issue of the Disciplinary board, given the historical challenges of Mangaung, it takes months to fill a vacant position. We have raised the concern that this should not become a precedent for Council, where items are submitted late."

Councillor E Snyman Van Deventer: "We will not withdraw our proposal because it seems as though the Council is willing to ignore the rules because it has to do with Upper limits."

Point of order raised by Councillor CL Kruger that there was a multiparty caucus therefore what was the relevance of having it if we are going to disagree in Council.

Councillor GDP Kotze: "I rise on Rule 37. It is concerning, and it needs to be minuted that we have received information that the payments of the Upper limits has been approved before it even served in Council. Therefore, if this report is not withdrawn, we will write to representatives of the Free State Legislature."

Point of order raised by Councillor SP Tsoleli- the Councillor from DA must not mislead the Council because I am responsible for that Department. They are waiting for Council to sit and approve this item before payments relating to the Upper limits can be made.

Councillor DL Malebo: "Honourable Speaker, it seems as if we need to make Councillors understand that the meaning of multiparty because we are from that caucus and all of us we agreed on what was discussed there, the DA Whip was there and if there was issues he should have raised it in the caucus therefore I do not understand when we are back in Council now we are disagreeing with what we agreed on.

Councillor DL Malebo: "It seems as though we need to make councillors understand the meaning of a multiparty caucus because we are from that caucus, and all of us agreed on what was discussed there. The DA Whip was present, and if there were issues, he should have raised them during the caucus. Therefore, I do not understand why, now that we are back in Council, we are disagreeing with what we agreed upon."

The Speaker ruled that, when he agreed to the multiparty caucus, it was for the Whips to discuss the issues and return with a ruling. If there was an agreement arising from all party Whips, that agreement would stand. If two or more parties did not vote in favour of the agreement, the party Whips were in favour of what was proposed. I have no obligation to take the popular view of the collective parties, and in this regard, what has been presented by the Council Whip will prevail. However, I will note the abstention of the two parties, the DA and FF Plus.

The Speaker further indicated that, if Councillor T Van der Walt was successful in convincing the MPAC to withdraw the terms of reference.

Councillor T Van Der Walt: "MPAC did indeed meet on the 12 February 2026 and agreed to approve the item. However, in the documentation that came to Council a recommendation was not part of the report therefore MPAC has decided to propose an amendment to the resolution and add a 3rd recommendation just to cover us."

Councillor JM De-Bruin: "There was no secondment of the Agenda being as it is and there was an issue with item 4 and 5 they should go back to the Section 80 Committee as they were never discussed before."

Councillor GJ Lipale: "We have Rule 38 regarding committees that are not sitting, yet we are seeing items coming directly to Council. We are told that, if these items are removed, it will affect the Adjustment Budget. Regarding Items 4 and 5, an EFF councillor serves on that Section 80 Committee; however, it never sat to discuss those items."

Councillor DL Malebo: "In the caucus we had we called the Executive Mayor to explain why this items 4 and 5 did not serve in Section 80 committee because the issue behind these items is that there are investigations that has to happen and the answer we got in that caucus is that the Adjustment Budget will be affected if those items are taken out."

Councillor NA Nhlapo: "Item number 5 set last year in Council, and it went through the Section 80, now the Adjustment Budget is talking to the money that has to buy that building therefore let us not mislead Council and the Community these items served in."

Councillor VS Soqaga: "If you read that report correctly, it is from Technical Services requesting additional funding for Maselspoort."

Councillor MJ Ramatlama: "On item 4 it was wrong for it to come to Council as it did not go to the relevant Section 80 and some of us know nothing about Maselspoort. We never did oversight."

Point of Order raised by Councillor VS Soqaga: "the Councillor must not mislead the Council our discussion was that IDP went on oversight without Technical Services."

The Council voted as follows: *52 in favour, 41 against and 0 abstained*.

The agenda was carried as is.

Point of Order by Councillor BJ Viviers: "The Speaker made a ruling on the suspension of the Standing Rules and Orders and said that nobody agrees with what the Council Whip has said. However, you put the acceptance of the agenda to a vote, and according to the rules it should be 60% for voting of the supplementary item. Therefore, is there 60% majority?"

The Speaker indicated that he did not suspend the Standing Rules and Orders. Therefore, the point of order raised by Councillor BJ Viviers was dismissed.

NOTED.

23.
DISCLOSURE OF INTEREST

None.

NOTED.

24.
ANNOUNCEMENTS

Cllr PA Terblanche: "Mister Speaker, I spoke with the Executive Mayor about the prices of the swimming pool. Can they look at the price again maybe reduce it?"

Cllr TI Ferreira made the following announcement: "Thank you Mister Speaker. My announcement is on Foot and mouth disease, which has been declared a national state of disaster by the Minister of agriculture. In the Free State we have 265 active infections groups currently. FMD is moving closer to us here in Mangaung. Mangaung has implemented some measures at Naval Hill, but we as Mangaung have not done enough to protect our livestock of rural communities and our communal farmers on municipal land. As a vet in this Council, I have an obligation to advise the Council. I have submitted a motion, that we must bring to Council as soon as possible with regards to our duties as the municipality, and as landowner according to legislation.

Mister Speaker please bring the motion for discussion and for implementation as soon as possible, to protect our vulnerable communities. Please Mister Speaker this is a big threat and disaster at our doorstep. Thank you."

Councillor JH Denner made the following announcement: "This past week has shown that the electricity infrastructure is failing the residents as there has been interruptions and we acknowledge the hard work of the Centlec team on the ground, but crises management is not Governance and fixing breakdowns after the disaster is not a plan, Council must be presented with a clear turnaround strategy and structural plan with budget and accountability. When electricity fails, water fails, and we will be failing our residents. We have to act now to try and safe the City."

Councillor MM Letawana made the following announcement: "Honourable Speaker, according to the Township Development Act of 2024 all spaza shop owners are required to have a business licence in order for them to operate the spaza shops. We requested residents to complete the necessary application forms. However, despite receiving 2 000 applications, only 400 applicants went through the zoning and rezoning process and have not yet collected their certificates to operate. Therefore, residents should come and collect their consent letters. The cut-off date is 12 March 2026."

Councillor SM Swartz made the following announcement: "Honourable Speaker, Honourable Councillors and Mangaung citizens! The Patriotic Alliance rises to announce the following 3 resounding events.

On 11 February 2026, the Patriotic Alliance took its third ward in a row within a period of three weeks from the DA in George.

Ward 16 did not whisper, it roared! From Ward 17 to Ward 27 now.

The Patriotic Alliance received 1 873 votes a clear victory and a clear mandate indeed! The DA received 983 votes, and the ANC received a mere 10 votes. I must confess that the ANC really tried very hard this time, obtaining 10 votes compared to the three votes in Ward 27.

The Patriotic Alliance has moved in leaps and bounds. Salute! Ons biaza nie.

Our President, Honourable Gayton McKenzie, visited the Free State on Monday, 23 February 2026. He engaged directly with our structures and patriots on the ground. He was accompanied by NEC Member Leader Charles Cillier as part of the National Deployment Programme. Our entire NEC has been split across all nine provinces to take leadership responsibilities where it matters most—on the ground with our people.

'Grond to Toe' is not a slogan, Speaker; it is a principle that applies to everyone in the Patriotic Alliance."

Councillor IJ Makoloane made the following announcement: "I want to make an announcement to our residents and remind them that the Public Participations are continuing therefore I would also to thank the Head of Departments who have been attending those meetings."

NOTED.

25	REPORTS FROM THE SPEAKER

1.

DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND BENEFITS PAYABLE TO DIFFERENT MEMBERS OF MUNICIPAL COUNCILS WITH EFFECT FROM 01 JULY 2025

Councillor MM Tladi tabled the report with the recommendations.

Councillor MW Mongale: "Thank you, Honourable Speaker, Dr BL Mathae. The money does not talk to our performance as the Municipality. If you can check how we have performed as the Municipality and compare it with the money, we are getting they do not talk to each other. The issue here is that every payment should be aligned with performance therefore before the Minister can pay the money, he should check if the Municipality has performed. People are not happy with services that they are receiving, and it does not qualify (justify) us to get an increase."

Councillor NZ Banyane stated that the item served in the Remunerations Committee, therefore he supported it.

Councillor GJ Lipale: "I want to second the views of Councillor Mongale because, if you walk around our community, the conditions are poor. When you consider the Municipality's performance, we have achieved nothing. There is an area in Ward 3 where, during summer, there is a bad smell, and people are living under those conditions, which is unacceptable."

Councillor SP Tsoleli: "Honourable Speaker, this item is a budgeted line item which is part of our increase. At the last Council, we discussed the mid-term report, which showed there was an improvement in our performance. Each quarter, we submit the SDBIP which shows that our performance as the Municipality is increasing. Therefore, it shows that the Councillors are working. We humbly ask that our remunerations should be determined with people in Parliament because they are the ones on the ground working and the issue of Medical Aid and Housing allowance can it also be looked at."

The Council noted the item however, Cllr VB De Kock requested that it be noted that the FFPlus was against the payment on this item.

It was thereupon

RESOLVED that Council:

(a) Noted the determination of upper limits of salaries, allowances and benefits of Municipal Councils determined by the MP Minister of Co-operative Governance and Traditional Affairs, Mr Velenkosini Hlabisa, Government Gazette No 54179 dated 20 February 2026.

(b) Noted that the MEC for COGTA must grant concurrence for implementation of the adjusted Upper Limits of Salaries, Allowances and Benefits for Municipal Councils.

(c) Noted that adequate budgetary provision had been made in budget vote line entry for Councillors' salary and benefits for implementation in the current 2025/26 financial year.

(d) That the administration must calculate retrospectively, the payments to be effected from 1 July 2025.

2.
APPROVAL OF THE DISCIPLINARY BOARD REMUNERATIONS FRAMEWORK

Councillor MM Tladi tabled the report with its recommendations.

Councillor JH Denner: "Mister Speaker, while the administration claims that this framework is a step forward to improve oversight, we must look at reality for the residents of Mangaung who are watching us. Mangaung is currently under a Financial Recovery Plan, and we have struggled with expenditure control and governance. Yet, instead of focussing every single cent on the infrastructure and basic service delivery, we are asked to approve a framework that prioritises the pockets of the selected few.

When looking at the figures, this framework suggests paying per person R10 000 per day even a regular member receives R9000.These rates are based on SAICA rates, however, Mangaung is a Municipality under stress not a private sector accounting firm. Furthermore, the justification provided these rates is concerning. The document states it seeks to reward members for risks which includes life threats and the risk of their life being threatened because of the nature of the job. If our Municipality has become so lawless that serving on the disciplinary board requires danger pay, then we have failed our basic duty of in providing a safe and secure environment.

We cannot support this framework, which uses the threat of violence as justification for remuneration. The FFPlus takes issue of the perks outlined here beyond these rates the framework would reimbursee of lights, tollgate fees according to the Travel Management Policy. It even allows for the booking of urgent meetings; this is a definition of a gravy drain while our residents are suffering while we acknowledge the need of a skilled person to tackle the financial misconduct, we cannot ignore that even public servants who are already receiving salary from the tax payer are being offered R6000 a day for preparation and meeting attendance. The administration claims this will support cost containment the FFPlus disagrees, through discipline is ensuring processes are handled efficiently and the costs that reflects the financial state of the Metro the FFPlus cannot support the framework."

Councillor SP Tsoleli: "I stand to support the item, and I want to highlight that the AG has flagged that this institution does not have consequence management and it is not correct if another party does not condone this item while we are trying to fix things in the Municipality. Therefore, this board should be paid because they are doing the work."

Cllr KC Moreeng requested that the DA's dissent be noted.

The Council voted as follows: *<u>64 in favour, 5 against and 2 abstained</u>*.

RESOLVED that Council

1. Approved the Disciplinary Board Remuneration Framework.

2. Noted that the framework gives effect to the Special Council Resolution date 28 February 2026.

3. Authorised the City Manager to implement and oversee compliance.

4. Directs quarterly reporting to Council on implementation progress.

Resolved that Council approved the Disciplinary Board Remuneration Framework for implementation with immediate effect in accordance with the Special Council Resolution dated 28 February 2025. The remuneration of the Disciplinary Board members shall be paid retrospectively, effectively from the date of their respective appointments.

26	REPORTS OF THE EXECUTIVE MAYOR

1.
ADJUSTMENT BUDGET – FEBRUARY 2025/26

The Executive Mayor tabled the adjustment budget as follows: “Honourable Speaker, indeed, we experienced power outages, but I must indicate that these was not a result of loadshedding, as that is a challenge of the past. I would like to thank the Minister of Electricity and the team at work, our challenges with regard to electricity speaks to a number of aspects which namely are the limited Infrastructure that we had to pity bag on, in order to attend to the needs of the people in Mangaung. The infrastructure was originally created to serve a few areas, but it had to be stretched to attend to other localities where electricity supply would not reach. This, coupled with limited resources, has made it difficult for the Municipality to expand the service.

Equally so, that it speaks to a crisis of Infrastructure that has reached its age and has to be replaced. We are aware of this challenge that is facing us, migration of the people looking for greener pastures and limited resource with the current Infrastructure that is ageing and the challenges of resources that faces Municipality remains what we need to bring our heads together, as the Municipality, to work towards ensuring that we serve our people at the level of electrical needs. It is safe to say with the challenges we have; majority of our people have access to electricity but more still has to be done. The challenge on electricity impact immediately on the provision of water in order for our water to reach reservoirs, it must be pumped and for our pump stations to be active electricity must be in reach or must be available. When we experience electricity challenges, water supply is inevitably affected.

We had to make sure that Soutpan, the northern side of the City and the greater portion of our townships do have access services and for that I want to thank the Fire station for putting out the fire that affected our Fire station, I would also like to thank Centlec despite the Infrastructure problems, they act to the critical areas affected.

At this point, I want to apologise to the residents of Mangaung for the challenges they faced with in regard to some of the services I am referring too. We will, however, do our best within material time to reach out to them and to make sure that the services are attended too.

I also sympathize with those who are paying their services who are impacted by this, and I therefore ask residents who are not paying their services to come forward and do so with an understanding that will be helping the Municipality in proving services needed to them. We have experienced a recent informal challenge with residents who would occupy a land that is unproperly qualified with an intension to find refuge and accommodation, and those residents find themselves in places which are wetlands and not proper for occupation.

Unfortunately, the administration was not informed before rights were granted to 72 informal settlements. Some of these developments resulted from political interference, which encouraged unlawful occupation of land. This has created several challenges, including cases where foreign nationals have occupied land outside the proper legal processes.

The Metro has made efforts to identify suitable land and package it for development. However, because of limited resources and weak buying power, there are still many serviced sites available while many people continue searching for land. Those who have been identified for relocation to these stands are South Africans who will receive municipal services.

We table this adjudgment budget in a period of structural change in local government finance. The 2025/2026 budget was approved by Council on 29 May 2025 and came into effect in July 2025. What we present today it is not a deviation from that mandate, but a collaboration informed by implementation on National Treasury approval and the mid-year performance assessment, we are not adjusting the numbers, but we are adjusting the numbers."

Cllr BJ Viviers read his speech as follows: "Honourable Speaker, through you Executive Mayor. The Democratic Alliance (DA) will not be negative towards this Adjustment Budget. It is rarely that there is R 114 000 000.00 more available for Capital Expenditure, which includes Infrastructure, its maintenance, thereof and delivery of services, when we are normally accustomed to Adjustment Budget being adjusted downwards by this time of the year. Thus, to the CFO her team and the MMC of Finance well done. Especially well done in convincing National Treasury to trust this Metro, by allocating more of their conditional grants to this municipality.

Unfortunately, we now need to do the reality check and to a certain extent, I am going to quote the dismay of the MMC of Finance, when none of the HOD's was at the Section 80 Finance Committee Meeting and in addition to that, as per norm, the City Manager was also missing. Why is this such an issue and what is the reality check. This adjustment budget now needs to be implemented by the Administration of this Metro within four months.

If the past is our guideline as well as the absence of Officials, the implementation of this Adjustment Budget will dismally fail, and we will have to pay provisional grants back to National Treasury.

Thus, through you speaker, Executive Mayor, after more than two years of not achieving much, please now take the responsibility to attend to the Administration of the Municipality to implement the Adjustment Budget. The Adjustment Budget is not without certain concerns.

Thank you for some feedback on our memorandum regarding the Fire and Rescue Department within the adjustment budget but how does reducing the budget help the community during the upcoming fire season.

The greatest concern is the approval of new policies and amendments to existing policies. These policies should be workshopped properly before we just approve them, if left as it is, they will come back to haunt us. To now just do a quick tick box exercise on National Treasury's directive will not service. This tick box exercise is a dereliction of our oversight duty. We are here to deliberate not just decorate a directive from National Treasury.

Through you, Speaker, I ask the CFO whether the new and amended policies that are being rushed through today have been properly costed. If a policy is approved without a budget for implementation, it constitutes a violation of the MFMA and creates what is commonly referred to as an unfunded mandate.

Dear Fellow Councillor's, legislative due diligence cannot be sacrificed for administrative convenience. Treasury directives are the floor, not the ceiling for our local responsibilities. National Treasury directives are meant to guide us, not bypass our oversight.

Thus, the DA propose that the Item of the Adjustment Budget-February 2025/26 be referred back to relevant Section 80 and 79 Committees of this council, so that the policies could be properly workshopped and amended where applicable. Thank you. "

Cllr AF Bothma read his speech as follows: "Speaker, as I acknowledge the importance of policies in the budget process, new and reviewed, I must support and second the recommendation by Cllr Viviers.

Today we consider the February 2025/26 Adjustment Budget of the Mangaung Metropolitan Municipality. While this adjustment arises from the mid-year assessment tabled on 29 January 2026, it must do more than correct figures, it must correct direction. An adjustment budget should not merely respond to pressure; it should restore focus, discipline and delivery.

The net result on the Operational Budget shows a decrease of revenue of R9.7 million, although the there was an additional source: The new Urban Development Financing Grant (UDFG). We learned from our interaction with National Treasury on 16 and 17 February 2026, it showed that this amount could have been more if all required documents were submitted by Centlec. On the expenditure side the total budgeted expenditure increased with R187 million. This is mainly due to increases in Employee costs, Outsource Services and Contracted Services. The result is that we could increase the Capital Budget with R73 million.

I am very pleased to learn from the CFO that the total R&M Budget increased to R740m, and this represents 4% of the total Asset Value of the municipality.

Still far away from the 8% at least needed to maintain our assets. Therefore, instead of only criticising what has not worked, let us use this moment to advise on how we resolve the issues before us.

Firstly, regarding the additional R113.7 million from the UDFG under the Metro Services Reform for Water and Sanitation. Water and sanitation are at the heart of community frustration. To ensure this allocation delivers impact, I propose the following:

- A ring-fenced implementation plan with clear project lists, timelines and responsible officials.
- Monthly expenditure and progress reporting to the relevant oversight committee.
- Prioritisation of repairs and refurbishment of existing infrastructure before expansion projects.
- Strict consequence management where contractors or officials fail to meet milestones.
- If we combine funding with accountability, this allocation can restore public confidence.

Secondly, on the job grading exercise and alignment to a task-based remuneration system. Organisational alignment is necessary. However, we must ensure that this process is cost-neutral over the medium term and linked to productivity outcomes. I recommend: That any upward adjustment in remuneration be accompanied by measurable performance indicators.

- That productivity gains and service delivery improvements be tracked and reported.
- That Council receives a long-term affordability assessment before full implementation.

If structured properly, this reform can enhance efficiency rather than expand cost pressures.

Thirdly, regarding outsourced services and consultant allocations. Consultants should transfer skills, not replace management. Therefore:

- Every consultant contract must include skills transfer clause.
- Deliverables must be measurable, time-bound and linked to internal capacity development.
- A reduction plan over the next two financial years should be tabled to demonstrate how reliance on consultants will decline.

On security services and vandalism, particularly at facilities such as Vista Park and the Zoo — we must combine protection with prevention. This requires:

- Collaboration with law enforcement and community structures.
- Installation of preventative infrastructure such as lighting and access control.
- Visible consequence management to deter repeat incidents.

We cannot budget indefinitely for damage repair without addressing root causes. Regarding fleet repairs, sewer unblocking, pit latrine vacuuming and maintenance of water treatment works — these are core municipal functions. To stabilise operations:

- Preventative maintenance schedules must be enforced.
- Fleet availability ratios should be reported quarterly.
- Emergency response times for sewer and water breakdowns must be monitored and published.

This shifts us from reactive crisis management to proactive service management. The most critical issue is funding credibility. A budget that is technically funded but weak in cash flow projections creates risk. I therefore propose:

- Conservative revenue projections based on realistic collection trends.
- A strengthened revenue enhancement strategy with measurable monthly targets.
- Transparent reporting on collection rates and debtor age analysis.

As the opposition, we are prepared to support Reprioritisation that strengthens service delivery. We support water reform, infrastructure restoration, and revenue improvement — provided they are implemented with discipline and transparency.

Let this adjustment budget become a corrective instrument — not just a financial reshuffle. Let it:

- Reinforce accountability,
- Strengthen internal capacity,
- Protect infrastructure,
- Improve cash flow,
- And deliver measurable service improvements.

Our residents judge us not by documents adopted, but by services delivered.

If we attach firm oversight, consequence management, and performance reporting to this adjustment budget, it can become a turning point for the municipality. I thank you."

Councillor MW Mongale: "Speaker, I want to acknowledge what the Executive Mayor said today in Council. We now understand what the challenges are regarding the budget. We accept that there have been issues and failures within the institution however let us hope that this budget will go to the Community.

Regarding the policies, we are still waiting for the SCM policy, which will be amended and which will deal with the interest of the Community. The Executive Mayor mentioned the issue of abandoned buildings in the City that should be used and maybe fines should be issued out to the owners of those buildings, in terms of looking after them, those buildings should be fixed so that investors can come in for business because no investor would want to do business in a building were criminals are hibernating. The other issue on asset disposal we need to make sure that whoever is appointed on that committee those people should be vetted."

Councillor B Vorster read speech as follows: "Honourable Speaker, and all protocols observed. The Freedom Front Plus (FF Plus) is deeply concerned about what this Adjustment Budget reveals about the financial management of our Metro.

An Adjustment Budget should refine and respond to minor changes in economic conditions. It should not expose systemic weaknesses in planning, execution, and financial discipline.

Unfortunately, this budget does exactly that.

Firstly, we see over-optimistic revenue forecasting on electricity. The Metro budgeted for a 13.50% tariff increase, yet the National Energy Regulator of South Africa approved only 12.72%. That miscalculation resulted in a R42.7 million shortfall. This was not an unpredictable disaster. Tariff approvals are regulated processes. Budgeting beyond what is reasonably expected is not prudent financial planning; it was a risky speculation.

Secondly, we see a shocking R30.46 million spike in acting and post related allowances. From just over RI million to more than R31 million. A 3,000% increase. This reflects the inability, or unwillingness, to fill permanent necessary positions. Instead of stability, we have a costly revolving door of acting appointments. This undermines accountability and institutional memory, and it drains the operating budget.

There is a lack of proper workforce planning. Reallocating these funds away from basic salaries to fund acting posts is not stability; it is crisis management.

Thirdly, funds have yet again been shifted away from capital expenditure, away from long-term infrastructure investment, because projects are described as "non-performing". R34.92 million was removed from own funded capital projects and redirected to operational repairs and maintenance.

When projects fail to perform, it means planning was poor, or project management collapsed. Infrastructure backlogs grow while the Metro patches and repairs to address yesterday's failures.

A clear example again presented itself over the past weekend when the Northern suburbs had to endure power failures due to decaying electricity infrastructure.

Fourthly, R1 82.8 million in additional funds are allocated to contracted services, partly due to vandalism at Vista Park, the zoo, and water treatment facilities. Yes, vandalism is a reality. But where was the preventative planning? Where was the security strategy in the original budget? Municipal assets are deteriorating faster than we can repair them. The Metro applies reactive spending rather than proactive governance.

Fifthly, conditional grants like the Informal Settlement Upgrading Partnership Grant again had to be rolled over because funds were unspent. When the National Government allocates funds for service delivery, and Metro fails to spend them, it reflects implementation failure. Communities wait while money sits idle in the bank account.

Sixth, interest income had to be adjusted downward. This means less cash on hand than anticipated. Cash flow management is the heartbeat of a municipality. When liquidity weakens, service delivery eventually suffers,

Seventh, R17.46 million had to be added mid-year for a job grading exercise. Structural human resource reforms should not surprise a municipality halfway through the financial year. Either the planning was inadequate, or the process was rushed without proper budgeting.

Eighth, operational costs increased for additional audit expenses. Audits are not optional. If audit costs rise unexpectedly, it usually indicates weaknesses in record-keeping, compliance, or internal controls. That should concern every councillor in this chamber.

Ninth, the executive report openly states that this adjustment budget aims to "realign for overspending on votes." Overspending mid-year signals weak expenditure control and poor oversight. Departments cannot treat the approved budget as a suggestion.
What concerns us is the pattern of:

- Over-projection of revenue.
- Under-execution of capital projects.
- Mid-year emergency reallocations.
- Escalating personnel instability.
- And reactive spending instead of preventative governance.

This adjustment budget may maintain technical fiscal balance on paper. But balance is achieved through shifting, cutting, and emergency realignment is not the same as sustainable financial health.

The residents of Mangaung deserve disciplined forecasting, stable leadership appointments, effective project management, and strict expenditure control. They deserve infrastructure that is built. not budgets that are repeatedly repaired.

We cannot normalize crisis-driven governance. Adjustment budgets should refine good planning does not correct avoidable mistakes. Thank you."

Councillor JM De Bruin read speech as follows: "Voorsitter, lede van die Raad, kollegas en gemeenskapsverteenwoordigers,

Ons staan vandag voor 'n dokument wat die oorspronklike begroting wesenlik wil aanpas. Ek wil dit duidelik stel: 'n Adjustment Budget behoort 'n uitsondering te wees, nie die norm nie.

Wanneer 'n munisipaliteit keer op keer groot aanpassings moet maak, wys dit op 'n gebrek aan beplanning, dissipline en deursigtigheid.

1. Swak beplanning

Die hoofbegroting is aanvaar met die belofte dat dit aan die behoeftes van ons mense sou voldoen. As ons nou groot verskuiwings moet maak, vra ek: Waarom is hierdie uitgawes nie vooraf geïdentifiseer nie? Wie dra die verantwoordelikheid vir hierdie tekortkominge?

2. Deursigtigheid en verantwoordbaarheid

'n Adjustment Budget mag nie 'n skerm wees waaragter foute weggesteek of onnodige uitgawes geregverdig word nie. Ons moet vra: Watter projekte verloor nou befondsing, en hoe word die gemeenskap ingelig oor hierdie veranderinge?

3. Gemeenskapsbelang

Elke rand wat verskuif word, het 'n direkte impak op dienste soos water, sanitasie, padonderhoud en veiligheid. As fondse weggeneem word van noodsaaklike projekte, is dit die mense wat die prys betaal.

4. Finansiële dissipline

Ons kan nie 'n kultuur van los finansiële bestuur toelaat nie. 'n Adjustment Budget moet nie 'n "noodfonds" wees om wanbestuur te verbloem nie. Dit moet eerder 'n instrument wees vir beperkte, regverdigbare aanpassings, en dit is nie wat ons hier sien nie.

Voorsitter, ek doen 'n beroep op hierdie Raad om verantwoordelikheid te neem. Ons kan nie aanhou om begrotings te verskuif asof dit sonder gevolge is nie. Ons skuld die gemeenskap 'n begroting wat behoorlik beplan is, en 'n bestuur wat deursigtig en verantwoordbaar is.

Ons, as die Patriotiese Alliansie, keur hierdie Adjustment Budget nie goed nie en vra dat ons terugkeer na die beginsels van goeie beplanning en finansiële dissipline. Ek dank u."

Councillor GJ Lipale read speech as follows: "The Economic Freedom Fighters have carefully considered the Adjustment Budget for the 2025/2026 financial year, and we conclude that this budget does not address the real needs of our communities.

Adjustment budgets are meant to correct underperformance and redirect resources to improve service delivery. However, in Mangaung they have become an annual exercise of shifting money without solving underlying problems.

During discussions, it became clear that the Adjustment Budget mainly reshuffles funds between departments instead of improving conditions on the ground. Projects that were approved in previous budgets remain incomplete, yet new allocations continue to be made. This demonstrates poor planning and weak implementation.

The EFF is concerned that the budget is not pro-poor. While communities continue to live in informal settlements and township roads remain in a terrible condition, funding priorities do not reflect these realities. Funding for Human Settlements has been reduced despite growing housing backlogs, while Community Services continues to struggle as service delivery challenges increase. Worse still, its budget has been increased substantially, as usual, because it is used as a cash cow for some comrades.

At the same time, some directorates receive increased allocations despite poor performance and allegations of corruption. Facilities such as the Fresh Produce Market are collapsing, while administrative departments receive additional funding. Recreational facilities, parks, graveyards and swimming pools appear in adjustment budgets every year, including the Arthur Nathan Swimming Pool, yet there is little progress on the ground. The Municipality continues to ignore certain areas, such as King Edward, while township infrastructure continues to deteriorate. Roads in the townships are badly damaged, and basic infrastructure is failing.

The EFF is also concerned about the lack of accountability. Heads of Departments were absent from important Adjustment Budget meetings, demonstrating a disregard for Council oversight. The Municipal Public Accounts Committee has failed to report meaningfully on corruption for several years, while corruption continues to be reported across departments.

The Adjustment Budget presents large financial figures and asset values, but these numbers do not reflect the lived reality of residents. Infrastructure continues to deteriorate despite the municipality claiming valuable assets. Asset impairment reflects poor maintenance and governance failures.

Capital budgets continue to promise development, but projects remain incomplete and communities see no improvement. Adjustment budgets have therefore become a pattern of correcting the same failures every year.

The EFF believes that the crisis in Mangaung is not financial but political. The municipality continues to increase budgets for underperforming departments, reduce funding for critical services, fail to complete projects, and avoid accountability.

For these reasons, the Economic Freedom Fighters reject this Adjustment Budget and call for a genuinely pro-poor budget that prioritises service delivery, infrastructure maintenance and accountability. Thank you."

Deputy Executive Mayor, Councillor LM Titi-Odili responded as follows: Honourable Speaker, before we summarise the budget, we want to inform Council that the city has not received the outcome of the assessment from National Treasury, on whether the budget remains funded as the original budget. Therefore, the recommendations are subjected to upon receiving the outcomes of the assessment. Thereafter, the City Manager and the Chief Financial Officer will implement the recommendations made and submit the final version.

As indicated, the adjustment budget has been informed by approved role over project approved from 2024/2025, 2025/2026 outcome which was received 22 October 2025 confirming R14 million will be received from the roll over.

Projects have already been identified and are continuing. Consequently, the focus will be on those projects, including:

- Upgrading sewer infrastructure in Freedom Square – R4 million;
- Thaba Nchu and Ratau – R3 million;
- Southpark and Ikgomotseng Construction – R1 million; and
- Dewetsdorp water and sewer project – R1 million.

In addition, R2 million has been allocated for the grant dealing with the intensive design phase of the project. This budget focuses on addressing basic service delivery challenges experienced by our communities. The City has committed R38 million towards the acquisition of land to relocate communities residing in Wards 1, 6, 10, 17, 41 and 46. The land extension will accommodate more than 7,000 households. The budget has been considered by all the relevant committees, and I support the item as presented."

Councillor SQ Peter commented: "Honourable Speaker, these policy amendments are informed by National Treasury, therefore there are number of policies which we need to work around. Furthermore, these policies that are added here were flagged. I support the item as presented."

The Council voted as follows:
For the item to be referred back: *21 in favour, 49 against and 19 abstained*.

The votes for the item submitted with amendments: *49 in favour, 40 against and 0 abstained*.

It was thereupon

RESOLVED that Council

1. Based on the details as outlined above the Council approved the Adjustment Budget as contained herein, together with the resolutions as contained here below.

2. That the adjustment budget has taken into account revised revenue of energy services charges already approved by Council in terms of Council Resolution 111.9 – 30/06/2025, lower than budgeted for tariffs increases for ***energy service charges, 12,74% to 11,32%,*** in the amount of R42,7 million.

3. That the adjustment budget of CENTLEC comprises of moving funds between OPEX and CAPEX as stated in their documents attached with the adjustment budget item.

4. That Council approved changes as contained in Table B1 to Table B10 as well as all other supporting schedules for the Adjustment Budget.

5. That Council approved the amendments made in the Indigent Household Policy, in the main, the delegations for approval of indigent household applications, which has now been assigned to the Accounting Officer, with a requirement to submit quarterly reports of the approved indigent households.

6. The delegation to approve indigent applicants to the Accounting Officer, does not include the debt write off. When submitting the approved applications, the Accounting Officer will also submit an accompanying report (the approved applicants in the form of a register, debt owed by each accountholder) on debt to be written off for approval by Council.

7. That Council approved the amendments made in the Grant in Aid Policy, which deals will appointment of committee members which is delegated to the Executive Mayor, the appointment of committee is now amended to constitute a minimum of three (3) Members of Mayoral Committee, HOD for Community Services, who is also a permanent member of the committee and is counted first when determining quorum, and that the committee may co-opt an official who will act as the administrator for the committee.

8. That Council approved the amendments made in the Customer Care, Credit Control and Debt Collection Policy in as far as it deals with definitions as well as charging of interest on a simple basis for accounts in arrears.

9. That Council approved the Disposal of Assets Policy, and further notes that any approved list of assets to be disposed prior to this date of council are exempted to follows processes as stipulated in the policy, this includes the redundant fleet already presented to council (see council resolution128.9).

10. That Council approved the Asset Impairment Policy.

11. ***That upon receiving the outcome of National Treasury assessment, the City Manager and Chief Financial Officer to implement any recommendation received from National Treasury and submit the final version of the adjustment budget to Council for information.***

RESOLUTIONS

1.1 That the original budget as approved on 27 May 2025 be adjusted accordingly. Operating Income be decreased by R9,66 million to the revised amount of R11,63 billion. The Operating Expenditure be increased by R186,62 million to the revised amount of R11,46 billion. The Capital Expenditure Budget be increased by R73,05 million to the revised amount of R1,42 billion for the 2024/25 financial year as set out in the following tables:

		Page
Table B1	Consolidated Adjustment Budget Summary	8
Table B2	Consolidated Adjustments Budget Financial Performance (Revenue & Expenditure by Municipal Vote)	9
Table B3	Consolidated Adjustment Budget Financial Performance (Standard Classification)	10-19
Table B4	Consolidated Adjustment Budget Financial Performance (Revenue & Expenditure)	20
Table B5	Consolidated Adjustment Capital Expenditure, Budget by Vote and Funding	23

1.2 That the financial position, cash flow, backed reserve/accumulated surplus, asset management be adopted as set-out in the following tables:

		Page
Table B6	Consolidated Adjustment Budget Financial Position	24
Table B7	Consolidated Adjustment Budget Cash Flows	27
Table B8	Consolidated Cash Backed Reserves/Accumulated Surplus Reconciliation	28
Table B9	Consolidated Asset Management	29-31
Table B10	Consolidated Basic Service Delivery Measurement	32

2.
REQUEST FOR APPROVAL: DEBT INCENTIVE SCHEME POLICY FOR 1 MARCH 2026 – 30 JUNE 2027

Cllr AF Bothma read speech as follows: "Honourable Speaker, Honourable Cllr. Mathae, through you the Executive Mayor, as this is your report. Thank you for the opportunity.

Today we are requested to consider the approval of the Debt Incentive Scheme for the period 1 March 2026 to 30 June 2027. This is not merely an administrative item. It is a strategic revenue intervention that speaks directly to the financial sustainability of the Mangaung Metropolitan Municipality.

The DA will always encourage any measures to collect the huge outstanding debtors of the MMM. Currently standing at R10 Billion. As a measure to improve cash flow in the municipality on the 25th of February 2025 council approved debt incentive scheme as a method of collection of outstanding arrears from customers.

We supported the item although some outstanding debtor amounts had to be written off. But this is a way of cleaning the Debtors Book of uncollectable debts. A dept 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.

Let us start with the facts. The previous scheme delivered measurable results. A total of R367 million was reduced from the debtors' book. Of that amount, R221 million was collected in cash, directly improving our liquidity. Yes, R145 million was granted as discount — but that discount unlocked real revenue which otherwise may never have been collected.

Speaker, in a municipality under financial strain, cash flow is king. An unrecoverable debtor's book does not fund service delivery. Cash in the bank does.

The legal framework is clear. Section 96 of the Municipal Systems Act obliges us to collect all money due to the municipality. The MFMA requires effective revenue systems. The Prescription Act says that if a creditor does not take legal steps to recover a debt within a certain period of time, the debt "prescribes." — and then we lose everything. In that context, this scheme is not generosity. It is risk management.

The proposal is structured and differentiated:

- Residential consumers, churches, NPOs, NGOs and agricultural properties receive a 50% discount on debt older than 120 days.
- Business consumers receive a 10% discount on similar aged debt.
- Strict conditions apply deposits are required, current accounts must remain up to date, and defaults trigger cancellation.
- Councillors and municipal employees are excluded.
- The benefit applies only once per property.

This is balanced. It supports households under economic pressure while protecting the municipality's interests. However, Speaker, support must not mean recklessness.

We must ensure:

1. That this scheme does not create a culture of non-payment in anticipation of future write-offs.
2. That administration and verification processes are tight to prevent abuse.
3. That we receive quarterly reporting to Council on uptake, revenue realised, discounts granted, and default rates.
4. That prepaid meter conversions are actively implemented to prevent repeat arrears.

If implemented with discipline, this scheme can achieve three critical outcomes:

- Improve liquidity.
- Clean and stabilise the debtor's book.
- Provide realistic relief to struggling but willing consumers.

But if implemented without monitoring, it could undermine payment culture. Speaker, the choice before us is pragmatic. We either hold onto paper debt that may prescribe, or we convert a portion of it into real cash flow while maintaining enforcement mechanisms. As a Council, our duty is not only to approve policies — it is to safeguard sustainability.

Subject to strong oversight, performance reporting, and strict enforcement of the conditions contained in the policy, I support the implementation of this Debt Incentive Scheme. Let us use it as a financial recovery tool — not as a political instrument. I thank you."

Cllr GDP Kotze read speech as follows: "Mister Speaker, the Democratic Alliance approaches this item from a position of fairness, accountability, and value for money for the residents of Mangaung Metropolitan Municipality.

This is now the second consecutive year in a row in which the ANC administration has brought a Debt Incentive Scheme to Council- not as part of a recovery plan, but as a substitute for proper governance and service delivery.

Speaker, let us be clear: while we support lawful revenue collection, it is unacceptable that administrative incompetence is continually blamed on residents. Last year, many residents reported that municipal accounts were not delivered, their bills were estimated for months, and legitimate billing disputes were ignored by management.

Despite these issues, residents were still expected to pay. When they could not, the ANC responded by disconnecting their water supply, offering discounts, and attempting to mask its own failures. This is not an act of compassion, but rather a demonstration of poor administration.

Under this scheme, residents who consistently pay their municipal accounts on time each month receive no benefit, while those who fail to comply are rewarded with discounts of up to 50%.

The DA fundamentally rejects this approach, as it destroys the culture of payment and undermines honest ratepayers. It sends the message that doing the right thing in Mangaung is of no value, eroding the incentive for residents to engage in responsible financial behaviour.

The DA assesses governance by tangible results rather than excuses. The Auditor-General of South Africa has reported that Mangaung consistently fails to meet service delivery targets and underperforms in managing outcomes.

Residents continue to suffer from persistent issues such as broken streetlights, frequent sewer spillages, ongoing water leaks, neglected and unsafe open spaces, unreliable water supply, and roads riddled with potholes that put lives at risk. Most recently, a catastrophic failure of the electricity infrastructure, caused by a lack of maintenance, further exemplified the consequences of ongoing ANC neglect. Despite these ongoing problems, residents are being asked to pay more each year while receiving progressively less in return.

This scheme is being introduced at a time when a new General Valuation Roll will be implemented, property rates are increasing, and the overall cost of living continues to rise. Rather than addressing inefficiencies by cutting waste, improving billing systems, or enforcing accountability and performance, the ANC's response is to increase the financial burden on compliant residents to improve the municipality's figures superficially.

Every year, when the Auditor-General's report is presented, the ANC consistently fails to account for key issues: they do not explain where the money has gone, why infrastructure continues to deteriorate, or why service delivery remains stagnant. Speaker, the DA will support this item, but we need to reward compliant ratepayers in the future. Thank you, Speaker."

Councillor MW Mongale addressed the Council: "Thank you, Honourable Speaker, Dr BL Mathae. This item brings hope to the Municipality in terms of the recollection, but we also need to appreciate the effort of residents who are paying. However, we must also recognise the efforts of residents who consistently pay their municipal accounts. The same effort should be extended to encourage all residents to fulfil their responsibility of paying for municipal services.

Regarding the existing gaps, we previously discussed the Investment Summit, and there is a need to clarify the role and mandate of SITA. It appears that many people are not fully aware of SITA's responsibilities. The Municipality should therefore ensure that SITA fulfils its role in improving the lives of residents.

During the Investment Summit, there was a resident from Botshabelo who manufactures oil from used tyres. Instead of receiving the necessary support, he was not assisted. These are the types of issues that require our attention and discussion."

Councillor B Vorster read speech as follows: "Honourable Speaker and all protocols observed. The Freedom Front Plus stands before this council today to oppose the proposed Debt Incentive Scheme Policy. While the administration presents this as a solution to improve cash flow; it is, in reality, a symptom of the ongoing financial mismanagement in the Metro.

Our first and most fundamental objection is one of fairness. We are clear: it is not fair to burden regular, faithful payers of services to subsidise those who do not pay.

The majority of this Council approved the same scheme in the 2023/2024 financial year, extended the scheme for another six months in the 2024/2025 financial year, and wrote off 2.2 billion rand in interest as so-called irrecoverable debt.

By rewarding non-payment, the majority of this council is actively destroying the culture of payment that is essential for a functional municipality, while faithful payers are not rewarded. That is why the Freedom Front Plus provided the administration and executive with a proposed Good Payer Incentive Policy in January 2026, which will provide a structured benefit to consumers who consistently pay their accounts in full and on time.

Furthermore, look at the results of the previous scheme. While the city collected R221 million, it essentially gave away R145 million. This is not "assistance"; it is a massive loss of potential revenue that could have been used to fix our crumbling infrastructure.

The report admits that roughly 85% of outstanding debt is already over 90 days. This is a staggering admission of a total failure in credit control and revenue management. Instead of fixing the billing system, this administration continues to reach for "quick-fix" schemes.

This policy is a "paper exercise" to clean the books without addressing the root cause of the problem. We need to address the culture of non-payment by ensuring equal payment for equal services. We need fiscal discipline, not the condoning of non-payment.

We cannot support a policy that penalises the honest and rewards those who default.

The Metro needs professional management and effective oversight, not another round of discounts that only serve to hide the fact that this municipality is, for all intents and purposes, bankrupt.

Furthermore, Honourable Speaker, the majority of the debt that was written off during the first round of this scheme related to the interest component of the outstanding accounts. Because this council wrote off the interest on all accounts, the majority of the debt that will be written off during the duration of this scheme will relate to the capital component of the outstanding accounts.

Writing off the interest is one thing, but writing off capital is unacceptable and will have a negative financial implication for the Metro.

Lastly, this scheme will once again be used as a convenient collection mechanism by the Metro's appointed debt collectors. While the employees of the Metro will be responsible for implementing and administering the scheme and collecting the funds, the debt collectors will receive their 8% commission while doing nothing from their side to collect the handover accounts.”

Councillor SQ Peter commented: “Honourable Speaker, last year we engaged directly with communities regarding this programme, and residents indicated that a debt discount should be considered. That is why the matter is before Council today.

Although some councillors oppose the incentive, the Municipality managed to collect approximately R150 million through the programme.

The City of Johannesburg has already implemented a fourth phase of a similar programme because it has proven to be effective."

Deputy Executive Mayor, Councillor LM Titi-Odili: "Honourable Speaker, I support the views expressed by Councillor Peter and Councillor Bothma, as they reflect the recommendations deliberated upon by Section 80.

The Section 80 Finance Committee will submit a recommendation to Council that, in addition to the Debt Incentive Scheme, the Municipality should engage with FNB to develop a rewards programme for residents who consistently pay their municipal accounts on time."

The Council voted as follows: *72 in favour, 5 against and 0 abstained*.

It was thereupon

RESOLVED

1) The Council approved the debt incentive scheme policy for new participants to be implemented from 1 March 2026 to 30 June 2027.

2) The following categories and percentages to be approved in line with debt incentive scheme options:

Group of Debtors	Method of Debt incentive scheme – Cash basis (Full settlement)	Method of Debt incentive scheme – Arrangement basis
Residential consumers including Residential sectional schemes and homeowners association.	For all residential consumers, a discount of **50%** will be given with respect to all **debt older than 120 days** from the time of application of the debt incentive scheme. A prepaid water meter may be installed after concluding agreement at owner's cost.	For all residential consumers, a discount of **50%** will be given with respect to all debt older than **120 days** from the time of application when the following requirements are met. 1. An immediate **30%** deposit on the total outstanding **(excluding the applicable incentive portion)** is made on the date of application. 2. The remaining portion is paid for in equal instalments within the duration of the scheme. 3. The current account is paid without default.

		4. In an instance the debtor is unable to afford the **30%** deposit required, they can apply for a reduced deposit on the application form for the approval by the GM Revenue and or the Chief Financial Officer.
Churches, NPO's NGO's Agricultural property	For all churches, NPO's NGO's Agricultural property, a discount of **50%** will be given with respect to all **debt older than 120 days** from the time of application of the debt incentive scheme. A prepaid water meter may be installed after concluding agreement at owner's cost.	For all Churches, NPO's NGO's Agricultural property consumers, a discount of **50%** will be given with respect to all debt older than **120 days** from the time of application when the following requirements are met. 1. An immediate **30%** deposit on the total outstanding **(excluding the applicable incentive portion)** is made on the date of application. 2. The remaining portion is paid for in equal instalments within the duration of the scheme. 3. The current account is paid without default. 4. In any instance the debtor is unable to afford the 30% deposit required, they can apply for a reduced deposit on the application form for the approval by the GM Revenue and or the Chief Financial Officer.

Business Consumers	For all **business/commercial** consumers, a discount of 1**0%** will be given with respect to all **debt older than 120 days** from the time of application of the debt incentive scheme. A prepaid water meter may be installed after concluding agreement at owner's cost.	For all **business/ commercial** consumers, a discount of **10%** will be given with respect to all debt older than **120 days** from the time of application when the following requirements are met. 1. An immediate 50% deposit on the total outstanding **(excluding the applicable incentive portion)** is made on the date of application. 2. The remaining portion is paid for in equal instalments within the duration of the scheme. 3. The current account is paid without default. 4. In any instance the debtor is unable to afford the 50% deposit required, they can apply for a reduced deposit on the application form for the approval by the GM Revenue and or the Chief Financial Officer.

3.

COUNCILORS AND EMPLOYEE SALARY DEDUCTIONS DUE TO ARREARS ON MUNICIPAL ACCOUNTS

Cllr LL Mohlamme read her speech or questions as follows: “Honourable Speaker, the DA will like to ask the following clarity seeking questions.

1. What disciplinary measures are taken against Councillors or employees who repeatedly fall into arrears?
2. What measures are in place to prevent arrears from accumulating in the first place?
3. How is compliance monitored to ensure fairness and accountability?

As the DA we do not have any issue with deductions, but can Municipality please render services to the residents.”

Cllr AP Snyman read his speech as follows: “Thank you, Speaker, let me state from the outset that the DA does not oppose accountability. If councillors and officials owe the municipality, they must pay. We support consequence management, but accountability must apply to everyone, including this Executive.

This report raises serious questions.

Firstly, how is it acceptable that deductions are made directly from the salaries of municipal staff without proper consent, while the very services they are paying for continue to collapse?

Residents and officials alike pay for electricity, water, refuse removal, Sanitation etc. As we all should, especially us as councillors. Yet many areas consistently do not get their refuse removed.

I challenge you to find a street that hasn’t had a sewerage spill in the last 12 months or a treatment plant that is functioning as it should. After decades of warnings regarding the water and water infrastructure of Mangaung you aren’t getting it right. Even with millions poured into it, you keep letting the residents of Mangaung open dry taps. And we again experienced citywide outages of electricity due to a little rain and a transformer failure this week. Despite warnings that the exact explosion would happen due to a transformer that is more than 4 decades old.

The administration knew. You were warned. You did nothing. And that is the heart of the issue.

Mayor Nthatisi, how do you explain the lack of infrastructural improvements and action with such an aggressive collection strategy from the residents? The fact is plain, it is your own failure to maintain or improve infrastructure that leaves the entire city filthy, smelling in the dark with dry taps. Of course everyone should pay their municipal bill, but what you are giving them in return is not governance. It is selective enforcement of certain rules while always pointing the finger at someone else for your own failures.

Secondly, quarter 1, (August 2025) reflects an increase of only five accounts, yet municipal debt jumps by nearly R7 million. Five accounts. Seven million rand.

Which also just disappears from the amounts in September 2025 without an indication of having been paid, where did that R 7 million go?

Who are these councillors or officials with that level of debt? Can we please get the names and specific amounts while in committee at the next council?

How does any municipal employee accumulate such amounts of debt without intervention long before it reaches millions?

Quarter 2 shows the same pattern; Five additional accounts in November, adding R1.6 million. Three additional accounts in December, adding R1.4 million.

A strong contrast from October adding 136 accounts and only R 500 thousand, would you not say Mr Mayor? This is not random. This is a pattern.

It indicates either a system being exploited or favour being shown to friends of the ANC. Which is it, Mayor? I will close with this Speaker, this is not how the DA governs. Please follow the words of your own President and learn from us, for the sake of the residents of Mangaung.

This is not how we present financial information to our councils. This is not how a functioning administration presents financial information or operates. And this is certainly not how a Municipal Council is shown the respect it deserves.

As always, this report is incomplete. And it reflects a disturbing level of carelessness or worse. We will not normalise half reports and financial patterns that raise red flags.

Fix your reporting. Fix your systems. And fix your governance. Because right now, this document reeks of incompetence or corruption and neither is acceptable to the DA, to this council or to the people of Mangaung.

Luckily, you will not have that office for much longer, the elections come closer every day. I thank you."

Councillor E Snyman Van Deventer read speech as follows: "Mister Speaker, the Freedom Front would like to thank the Finance Committee of the Mangaung Metropolitan Municipality for bringing the important item on "Councillors and employee salary deductions due to arrears on municipal accounts" before Council. This is a necessary step toward strengthening accountability and reinforcing a culture of payment within our own institution, particularly at a time when the Municipality is facing serious financial pressures.

However, we would like to pose a critical question for clarity: While deductions are being made to address arrears, are councillors and employees simultaneously keeping their current municipal accounts up to date, or are these accounts continuing to fall further into arrears? In other words, are we truly reducing the overall debt, or merely servicing historic balances while new debt accumulates? This distinction is vital if the initiative is to have a meaningful and sustainable impact on the Municipalities financial position."

Councillor GJ Lipale read speech as follows: "Speaker of Council, Executive Mayor and fellow Councillors, the Economic Freedom Fighters rise to address the matter of councillors and municipal employees who owe money to the Municipality. This issue speaks directly to ethical leadership and accountability within local government. This report exposes a fundamental contradiction within the governance of this Municipality.

Those entrusted with governing and administering the Municipality must themselves demonstrate discipline in meeting their financial obligations to the very institution they serve.
Chairperson, the crisis facing local government is not only financial but also political. South Africa has developed a political culture in which public office is, at times, treated as a source of privilege rather than responsibility.

When councillors and officials owe the Municipality money, it reflects a deeper crisis of leadership and accountability.

The EFF believes that revolutionary leadership requires discipline, personal responsibility and integrity in both public and private conduct. Leadership must begin by example.

It cannot be acceptable that ordinary residents face disconnections, penalties and aggressive debt collection measures while councillors and municipal officials accumulate substantial municipal debt. When public representatives fail to honour their obligations, they undermine the legitimacy of the Municipality itself.

This reinforces inequality, where ordinary residents face immediate consequences while politically connected individuals accumulate large debts without accountability. Such circumstances create the perception that two systems of governance exist: one for the powerful and another for ordinary citizens.

Salary deductions may therefore be a necessary mechanism to ensure that councillors and employees settle their debts to the Municipality. However, these measures must never be implemented selectively or inconsistently. There must be fairness, transparency and the uniform application of municipal rules, ensuring that no individual receives protection because of political connections or administrative influence.

Chairperson, it is unacceptable that this Municipality continues to experience serious financial challenges while revenue owed by councillors and employee's remains outstanding. Financial sustainability requires discipline at every level, beginning with those entrusted with positions of authority.

The EFF is further concerned that this issue reflects a broader culture of impunity within the Municipality. The failure of some councillors and officials to keep their municipal accounts in good standing reflects the same culture that has contributed to poor governance, weak financial management and declining service delivery.

A Municipality that tolerates non-compliance internally cannot reasonably expect compliance from the public.

Public confidence in government continues to decline because many citizens believe that leaders are unwilling to hold themselves to the same standards expected of everyone else.

Ethical leadership requires councillors and officials to demonstrate accountability in managing their own financial obligations. This Municipality cannot restore public confidence unless it demonstrates that accountability applies equally to councillors, officials and administrators alike.

Without accountability there can be no credibility, and without credibility there can be no effective governance.

Recommendations

1. Introduce a reasonable flat-rate payment system for qualifying low-income households.
2. Ensure that payment arrangements remain affordable and predictable.
3. Maintain the standard tariff structure for businesses and higher-income households.
4. Strengthen public awareness campaigns encouraging residents to make payment arrangements.
5. Simplify access to indigent support and account reduction processes.
6. Ensure consistent enforcement of municipal credit control measures across all sectors.

The EFF remains committed to accountability, transparency and ethical leadership, and will continue to insist that those entrusted with governing must lead by example. Thank you."

Councillor MW Mongale addressed the Council: "Honourable Speaker, Dr BL Mathae. I agree with what Councillors have said as this scheme is going to be a long-life initiative, however the scheme can be extended to Legislature. They have properties and they should pay, it must be known that those who does not pay services, should not serve in Parliament as they are unable to show loyalty through services. Mangaung should write a letter to Legislature to check if they are paying for their services."

Councillor LW Lekgetho read speech as follows: "Speaker, this item is very interesting because it shall be passed through the Council and as Municipality we continue to implement, approve credit control and debt collection policy. The relevant Legislation is required by our Financial Recovery Plan to submit reports on deduction from Councillors and officials on a quarterly basis and the code of conduct does state that services should be paid therefore we support the item as it is. Thank you."

The Council did not vote, as the item was for noting.

It was thereupon

RESOLVED

1. That Council noted the salary deduction made against the Councillors and staff for the second quarter of the financial year.

4.
APPROVAL OF FUNDING PENDING ADJUSTMENT BUDGET – MASELSPOORT WATER TREATMENT AND PURIFICATION PLANT OPERATIONAL COSTS

Cllr R Maartens read speech as follows: "Honourable Speaker, Executive Mayor, Honourable Colleagues and all present in this Council sitting - greetings to you all.

The Democratic Alliance has considered item 26.4 on today's agenda: a request for R50 million in so-called "unforeseen and unavoidable" expenditure for the Maselspoort water treatment facility linked to Monkey's Dam.

Let me be clear from the outset: clean water is not optional. It is a basic service. It is a constitutional right. As the Democratic Alliance, we have consistently supported increased funding for repairs and maintenance. We will never stand in the way of safe drinking water for our residents.

Honourable Speaker, through you, allow me to briefly digress — but you will soon see the relevance.

I wish to thank all stakeholders who worked tirelessly over the weekend at the Bayswater DC. Their efforts to expedite matters and provide information to community members — who are too often the last to know how their hard-earned taxes and electricity fees are spent — deserve recognition. A special word of thanks goes to the Executive Mayor for his swift action. His presence on the ground undoubtedly assisted in speeding up the process. However, I must also address the conduct of the ANC on social media. Yesterday, the My ANC Mangaung Facebook page posted: *"ANC in Mangaung foils DA plan to dim the lights. Victory to the people."*

This is not only misleading but embarrassing. To suggest that we — who were equally affected — do not want electricity for ourselves is feeble and desperate. This brings me back to today's matter. Once again, we find ourselves in a precarious position: damned if we do, and damned if we don't.

Let me repeat we will never stand in the way of safe drinking water. It is non-negotiable. This Council must agree on that. But supporting clean water does not mean signing a blank cheque."

Councillor JH Denner read speech as follows: "Speaker, there is an urgent request for additional funding for the Maselspoort treatment, while this report characterises the current situation specifically role of the treatment which was unforeseen and unavoidable but a closer look at the financial history of the Municipality says a different story.

We are being asked to approve R20 million for chemicals and R30 million operations and maintenance under section 29 of the MFMA which is reserved for unexpected crises, however if we look at the trend this emergency looks more like a recuring failure budget for non-seasonal realities this happens every year in the raining season because every year we sit with the same thing.

I have the following clarity seeking questions, why was the 2024/2025 budget for Water Treatment Chemical significantly reduced when costs have been rising for years?

The sources show that the total expenditure for chemicals has climbed steadily from R11 million in 2022 to R25 million in 2024/2025. Despite this trend the budget for 2025/2026 was set of R15 million nearly R10 million less how can administration claim a shortfall a unforeseen when they have intentionally budgeted far below to establish historical cost, is this really unforeseen or is it a predictable consequence of the raining season or issues. These environmental factors are not new in Mangaung why are these factors not integrated in the budget instead of being treated as a surprise? How do we justify an additional R30 million for operations and maintenance, in 2023/2024 the actual expenditure was R3 million and in 2024/2025 it was R6 million now an addition of R30 million is needed for emergency maintenance.

This report mentions a backlog of work including pumping efficiency upgrades and temporary services these a backlog items they were known to Municipality long before this unforeseen event why were these not included in the 2024/2025 budget and what is the long term plan to move away from management crises we are told these funds will be diverted to other critical areas such as the revenue improvement program, by raiding the meter replacement budget to pay for emergency chemical are we not creating the next financial crises for ourselves? Doing this is a disservice to the taxpayers of Mangaung, we need a budget that reflects the reality of our water quality challenges not a document that fails to learn the data for the last three years. Thank you."

Councillor JM De Bruin addressed the Council: "Honourable Speaker I would like to understand why this matter is before Council when it has not yet been adequately considered by the relevant Section 80 Committee.

During our oversight engagement with the MMC and the Committee, it became evident that the required work had not yet been completed. If the work remains outstanding, why is Council being asked to approve an adjustment budget?

We requested a detailed breakdown of the funding required so that Council could determine whether the proposed expenditure represents value for money, this item should be refereed back to the Section 80 to serve then come to Council."

Councillor MW Mongale addressed the Council: "Speaker, we support this item, but the issue is that when you look at the cost of chemicals it shows that R13 million and the projected amount by the end of the financial year 2025/2026 will be R26 million which makes sense, when you look at the other one talking about operational cost mid term it was R17 million. The projected focus is R47 million, it does not make sense what is the other R10 million for what will it be used for?"

Councillor VS Soqaga commented: "The intention of this project has always been to increase the capacity of the Maselspoort Water Treatment Works so that the Municipality becomes less dependent on the Vaal Central Water Scheme.

Secondly, the reason why it is captured under the recommendation for unavoidable and unforeseen additional funding, is an appreciation that the asset itself has more than 20 years lifespan. During the process of trying to increase the capacity there were other things that got discovered underground which are not part of the drawings which are causing more delay and expenditure hence the request of additional funds so we can conclude the process of Maselspoort, and we can supply water to Mangaung uninterrupted. We have discovered there are pipes which are not part of the drawings, and they cannot be found in the city however we support the item as it is."

Deputy Executive Mayor, Councillor LM Titi-Odili: "Speaker, I want to support the item as it is about the residents having clean water and we cannot drink clean water if maintenance is not done therefore in order for us to get clean water we need to put chemicals in it. On the motivation point number 3 states that we still have to pay the current matters that happened while they were busy maintaining the treatment plant, the number of chemicals used in Maselspoort we are using more than what we are buying the calculations is about that therefore we are requesting the Council to approve the report because the Auditor General mentioned this project that we must finish it."

Councillor T Van Der Walt addressed the Council: "Speaker, I am seconding Councillor De Bruin as the DA we were trying to make sense of the report because following the oversight that was done with IDP and hearing what the MMC is saying it is more concerning because our understanding from the report was it relates to maintenance. However, there is no mention of it. If the chemicals are for an increase in sewer that is in the river and to treat it, that is a short-term solution. The plant was never designed to handle that amount of sewer that it is currently handling in the river. In order to sustain and handle that amount of sewer we must upgrade the plant and budget therefore it makes sense why a lot of chemicals are needed but that is not a solution.

I want to urge management to make sure we have sustainable electricity supply that does not kick off every 5 hours, and we are able to supply Maselspoort with another station. Regarding the maintenance there is a lot of maintenance needed, the pumps needs to be services, the electrical structure needs to be serviced there is a lot more that needs to be done but this report does not give us anything therefore we are requesting to refer it back to the Section 80 just to clarify the information on what exactly was it spend on and what needs to be spend on?"

The Council voted as follows:
For the item to be referred back: *40 in favour, 42 against and 0 abstained*. The votes for the item as submitted: *64 in favour, 5 against and 12 abstained*.

It was thereupon

RESOLVED

1. That Council took note of the report on the unforeseen and unavoidable expenditure in terms of Section 29 of the MFMA.

2. That Council took note and approved the expenditure that will be funded from own funds.

5.

APPROVAL OF FUNDING PENDING ADJUSTMENT BUDGET – ACQUISITION OF LAND AFTER SUCCESSFUL EXERCISING OF A PRE-EMPTIVE RIGHT: OFFER TO PURCHASE ERF 10380, BLOEMFONTEIN KNOWN AS NAVAL HILL LODGE CURRENTLY OWNED BY TRANSNET (SOC) LTD

Cllr TK Rammile addressed the Council: "Honourable Speaker, Executive Mayor, Members of Council and the residents of Mangaung,

We meet today to consider a matter of both historical significance and urgent public importance: the proposed acquisition of Erf 10380, Bloemfontein, commonly known as Naval Hill Lodge.

Restoring Our Right: This property was once owned by the City. In 1960, it was expropriated for railway housing, later vested in Transnet, and subsequently sold to the Central University of Technology (CUT) in 2022 without first being offered to the Municipality, as required by the title deed.

Following legal proceedings and a settlement agreement, CUT has withdrawn its claim, providing the Municipality with the opportunity to exercise its pre-emptive right to purchase the property. This acquisition is about more than land ownership. It is about restoring a right previously denied to the Municipality and reclaiming a strategic asset for the benefit of our communities.

Why We Need It

- The challenges facing Mangaung are well known.
- There is an insufficient supply of rental housing for families, students and workers.
- The Municipality lacks adequate emergency accommodation for residents displaced by fires, evictions and other disasters.
- There are insufficient shelter facilities for homeless residents and job seekers who are forced to sleep in unsafe conditions.

The acquisition of Naval Hill Lodge presents an opportunity to address these challenges. The property can be utilised for affordable rental housing, emergency accommodation and temporary shelters, thereby assisting the Municipality in fulfilling its constitutional obligation to provide access to adequate housing.

Financial Responsibility: The purchase price amounts to R25.8 million, excluding transfer costs.

Funding will be sourced as follows:

- R12.5 million from land sales previously approved by Council;
- The balance from slow-moving capital projects and the legal services budget.

This approach does not impose additional financial burdens on the Municipality but rather redirects existing resources towards a priority project that directly benefits residents.

Urban Renewal

The acquisition also supports the Municipality's Integrated Development Plan by:

- revitalising the Central Business District;
- expanding access to affordable rental housing; and
- contributing to the development of a more compact, efficient and inclusive city.

By securing Naval Hill Lodge, the Municipality takes a significant step towards building a vibrant, equitable and sustainable Mangaung.

Conclusion, Honourable Councillors, this decision extends beyond financial considerations. It is a decision about dignity, housing and restoring opportunities for our people.

Before concluding, I request clarification from the Executive Mayor on the following:

1. How will this project be managed?
2. Has a comprehensive business plan been developed?
3. How will the Municipality ensure compliance with NEMA and SPLUMA?

I therefore recommend that Council notes the report and approves the expenditure from municipal funds to authorise the acquisition of Erf 10380, Naval Hill Lodge. Let us proceed with courage, responsibility and compassion. Thank you."

Councillor CL Bouwer read speech as follows: "Speaker, I just want to give clarity that the property was owned as an empty site by the City and held in terms of the certificate of registration title number 2396/1959. In 1960 the National Government expropriated the property in terms of the section 3A of the railway and harbours appropriation Act 22 therefore we need to make sure we follow the SPLUMA as it states and how do we go about the processes of acquiring this land for the purpose of Human Settlements."

Councillor B Vorster read speech as follows: "Honourable Speaker, all protocols observed. While the administration presents this acquisition as a strategic necessity, a closer examination of the facts reveals a process that departs from sound financial management and stretches the interpretation of the law.

Our primary concern is the classification of this **R25.8 million** expenditure as "unforeseen and unavoidable" in terms of section 29 of the Municipal Finance Management Act (MFMA).

Speaker, section 29 is intended to apply only to genuine emergencies or exceptional circumstances that could not reasonably have been anticipated.

The question therefore is whether this expenditure can genuinely be regarded as unforeseen. The evidence suggests otherwise. The Municipality has expressed an interest in acquiring this property since at least 2014. More importantly, Council resolved in July 2024 to exercise its pre-emptive rights in respect of this very property.

In October 2024, Council further resolved that funding for the acquisition would be made available through the February 2025 Adjustments Budget.

How can the Executive now argue that a property transaction which has been under negotiation, litigation and discussion for several years constitutes unforeseen expenditure? This is neither a natural disaster nor an unexpected court order. It is a long-standing project that the administration failed to budget for appropriately.

The administration further argues that the acquisition is unavoidable because of the Municipality's constitutional obligation to provide housing. While that obligation is recognised, the decision to spend R25.8 million on this specific property is a policy choice rather than an unavoidable emergency.

In a municipality where basic service delivery continues to deteriorate, allocating substantial funds to property acquisition while existing infrastructure remains under strain is difficult to justify.

Furthermore, we must address the budgetary process followed in this matter.

The report itself acknowledges that this expenditure could not be included in the Adjustments Budget because the Finance Directorate was only informed after the budget engagement process had already been concluded and submitted to National Treasury.

Speaker, that is not evidence of an emergency. It is an admission of administrative failure.

The fact that the Finance Directorate became aware of a multi-million-rand settlement only after the formal budgeting process had concluded raises serious governance concerns.

We are further informed that the funding will be sourced from slow-moving capital projects together with proceeds from a R12.5 million land sale that is still in the process of being finalised.

Council is therefore being requested to approve expenditure before the Municipality has secured all of the necessary funding.

The MFMA is clear that where expenditure is incurred without being regularised through the appropriate budgetary process within the prescribed period, such expenditure may become unauthorised.

By bypassing the normal adjustments budget process and relying on section 29, the Municipality exposes itself to increased audit risk and potential financial instability.

In conclusion, the Freedom Front Plus cannot support this recommendation.

An emergency cannot be declared for a matter that has been known to the Municipality for more than a decade, nor can circumstances be described as unforeseen when Council itself adopted resolutions on the matter during 2024.

This approach undermines proper budgetary oversight.

We therefore urge Council to reject the recommendation and require the administration to follow the appropriate, transparent budget process instead of relying on the provisions relating to unforeseen and unavoidable expenditure. Thank you."

Councillor NA Nhlapo commented: "Speaker, this item is clear. We are acquiring the building for the same reasons we indicated in 2024 for the purpose of increasing the rental as it has been indicated that we have a backlog and the court case between Transnet has been resolved."

The Council voted as follows: *61 in favour, 5 against and 13 abstained*.

It was thereupon

RESOLVED

1. That Council took note of the report on the unforeseen and unavoidable expenditure in terms of Section 29 of the MFMA.

2. That Council took note and approved the expenditure that will be funded from own funds.

6.
ADVERTISING AND FILING OF TWO VACANCIES IN THE AUDIT AND RISK COMMITTEE (ARC) MEMBERS POSITION AT CENTLEC

Cllr VS Soqaga commented: "Speaker, we are tabling this item in Council because we are requesting approval to fill the vacant position therefore when another member is not available it makes it difficult for a quorum to be formed."

Cllr SP Tsoleli supported what Councillor VS Soqaga had put to the house.

Cllr DL Malebo read speech as follows: "Speaker of the Council, Mayor and Fellow Councillors. The Economic Freedom Fighters (EFF) rise to engage on the matter concerning the advertisement and filling of two positions within ARC CENTLEC, a matter that goes to the heart of institutional capacity, accountability and service delivery within this Municipality.

The question of appointments in strategic entities such as CENTLEC is not merely administrative; it is political, because the quality of leadership and technical capacity within municipal entities determines whether the people receive reliable services or continued service delivery failures.

Speaker, the report before Council proposes the advertisement and filling of two positions within ARC CENTLEC as part of efforts to strengthen governance and operational effectiveness.

The EFF recognises that filling critical vacancies is necessary if municipal entities are to function effectively. However, the mere filling of positions does not automatically translate into improved performance unless appointments are based on competence, integrity and a commitment to public service.

CENTLEC plays a critical role in the provision of electricity services. Therefore, the stability and effectiveness of this entity directly affect the daily lives of the people. When electricity systems fail, it is not politicians who sit in darkness, but ordinary residents, small businesses and working-class households. The appointment of capable individuals is therefore essential to ensuring reliable service delivery.

The EFF must emphasise that appointments in municipal entities have historically been affected by political patronage and cadre deployment. Across municipalities in South Africa, public entities have been weakened by the appointment of individuals based on political connections rather than professional competence. When appointments are made on the basis of loyalty instead of ability, institutions collapse, and communities suffer.

The proposal to advertise and fill these positions must therefore be accompanied by strict safeguards to ensure transparency and fairness.

The people of Mangaung must be assured that these positions will not be reserved for politically connected individuals while qualified professionals are excluded.

Speaker, the EFF believes that public institutions must be built on professionalism and accountability. The success of CENTLEC depends not only on technical systems but also on the quality of leadership and management within the organisation

As the EFF we support the principle of filling critical vacancies because effective institutions are necessary for service delivery. However, support for appointments cannot mean blind acceptance of recruitment processes that lack transparency or fairness. I thank you."

The Council voted *unanimously*

It was thereupon

RESOLVED

1. That Council is requested to advertise and fill the two positions in the Audit and Risk Committee in line with Section 166(5) of the MFMA.

27	REPORTS FROM MPAC

1.

APPROVAL OF THE DRAFT REVISED TERMS OF REFERENCE FOR THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

The Chairperson, Cllr IJ Makoloane presented the report as follows: "Speaker, the purpose of this report is to seek Council's approval of the revised Terms of Reference for the Municipal Public Accounts Committee (MPAC).

Council, at its meeting held on 30 June 2025, considered and took note of the draft Terms of Reference. In terms of the Council resolution contained in Annexure B, Council resolved that the draft be circulated to National Treasury, COGTA and SALGA for comments and inputs before it could be finally tabled.

The circulation for comments and inputs was undertaken at the request of National Treasury. In January 2026, the draft Annexure A was circulated. National Treasury and SALGA subsequently submitted their comments, although these were received after the stipulated deadline. COGTA did not submit any comments.

It must be indicated that the comments and inputs received from National Treasury and SALGA, together with those made by MPAC during its meeting in February 2026, have been considered and incorporated into the final draft of Annexure A for Council's consideration and approval.

The general front page of Annexure A provides guidance on how the new inputs and decisions have been incorporated into the draft."

Point of order by Cllr MW Mongale as follows: "Speaker, the rules are clear that there should be no noise while another speaker is making a speech however there is noise on the floor."

The Speaker sustained the point of order

The Chairperson, Cllr IJ Makoloane continued: "Thank you Speaker, Annexure D is a cleaned up vision of how the final draft Annexure A on how it will look like when the Council adopts therefore the cleaned up vision of Annexure D will be the 2026 terms of reference of MPAC, the report is tabled for approval with additional recommendation "***That the adopted 2026 Draft Revised Terms of Reference of the Municipal Public Accounts Committee must within 60 days comply with the recommendations contained in the National Treasury letter dated 12 February 2026".***

Cllr T Van Der Walt, Cllr KD Tshwane and Cllr PM Mohibidu as members of MPAC were in support of the changes as read by Chairperson.

The Council voted *unanimously*

It was thereupon

RESOLVED

1. That Council considered and approved the report.

2. That the Council considered and adopted the 2026 Draft Revised Terms of Reference of the Municipal Public Accounts Committee.

3. ***That the adopted 2026 Draft Revised Terms of Reference of the Municipal Public Accounts Committee must within 60 days comply with the recommendations contained in the National Treasury letter dated 12 February 2026.***

28	REPORTS FROM AUDIT AND PERFOMANCE COMMITTEE

None.

NOTED.

29	REPORTS ON WARD COMMITTEES/CONSOLIDATED REPORT ON WARD COMMITTEES

None.

NOTED.

30	REPORT ON SALGA ACTIVITIES

Cllr MW Mongale remarked that he raised this matter before that this report should be dealt with.

Speaker indicated that there should be a person who will be appointed to deal with reports of SALGA.

NOTED.

31	IN COMMITTEE REPORTS

None.

NOTED.

32	NOTICE OF MOTION

None.

NOTED.

33	CLOSING OF THE SPECIAL COUNCIL MEETING

The Speaker thanked all Councillors and officials present for their attendance.

The meeting officially closed at 17h54.

SECRETARIAT UNIT
COMMITTEE SERVICES