

STEVE TSHWETE LOCAL MUNICIPALITY

MINUTES

OF A

SPECIAL COUNCIL

MEETING

DATE - 26 APRIL 2016

**MINUTES OF THE SPECIAL COUNCIL MEETING HELD IN
THE COUNCIL CHAMBER, MUNICIPAL BUILDINGS ON
26 APRIL AT 17:35**

PRESENT

Councillors

Ald M A Masina (Executive Mayor)	Cllr S S Zitha
Cllr N J Mahlangu	Cllr D J Skhosana
Ald E F Mathebula	Cllr P P Tau
Cllr S D Nkadimeng	Cllr L E Mkhuma
Ald H Pilodia	Cllr M S Motebu
Cllr M Mbatiwe	Cllr D S Khanyile
Cllr E A Jele	Cllr M E Nyambi
Cllr Z D Mtshweni	Cllr B H Mokoena
Cllr S M Mnguni	Cllr G H E Romijn
Cllr P I Thwala	Cllr A Struwig
Cllr M N Mathibela	Cllr A S Grobler
Cllr M R Mnguni	Cllr S Mogola
Cllr M J Selala	Cllr S J Roos
Cllr B P Ndala	Cllr H F Niemann
Cllr P M Hadebe	Cllr N J Mlambo
Cllr M T E Mnguni	Cllr J Dyason
Cllr S A Lukhele	Cllr P Mobango
Cllr M T Selala	Cllr J P Pretorius
Cllr J Skosana	Ald E A Du Toit
Cllr T B Mahlangu	Cllr K P J Uys
Cllr K N Monareng	
Cllr J Matshiane	
Cllr B C Skosana	
Cllr O Malinga	

Absent

Cllr D J Motsepe
Cllr P J Masilela
Cllr T N Morufane
Cllr P M Shongwe
Cllr P N Sithole
Cllr G Z Msimango
Cllr D M Longman
Cllr T N Van Zyl
Cllr T R Langeveld

Officials

Mr S M Mnguni	(Acting Municipal Manager)
Ms E Wassermann	(Executive Director: Financial Services)
Mr M Mahamba	(Acting Executive Director: Infrastructure Services)
Mr T Mokoena	(Acting Director: Legal & Administration)
Mr J Zulu	(Chief Administrative Officer)
Mr P Mokoena	(Senior Clerk)
Ms L Skosana	(Clerk Grade 1)
Ms D Pillay	(Clerk Grade 2)

1 OPENING

The Acting Municipal Manager informed the meeting that the Speaker, Ald R M Xaba is not present and Council therefore has to elect an Acting Speaker.

Proposals for an Acting Speaker was then requested. Cllr B P Ndala proposed the name of Cllr M J Selala. The proposal was seconded by Cllr T B Mahlangu and Cllr M J Selala accepted the nomination.

In view of the fact that no further nominations were received, Cllr M J Selala was elected as Acting Speaker for the Special Council meeting held on 26 April 2016.

2 APPLICATION FOR LEAVE OF ABSENCE

2.1 Application for leave of absence in terms of Section 13 (1) of the Rules of Order

2.2 Application for leave of absence in terms of Section 13 (2) of the Rules of Order

Resolved

THAT it be noted that Ald R M Xaba, Cllr E P Nkosi, Cllr L I Manzini, Cllr M J Sekgwele and Cllr S Wait have applied for leave of absence due to other obligations and their applications were approved.

3 DISCLOSURE OF INTEREST

None

4 CONSIDERATION OF THE ATTACHED REPORTS

Rm

EXTRACT FROM THE MAYORAL COMMITTEE HELD ON
14 APRIL 2016

NON DELEGATED POWERS

Upon request by the Executive Mayor, it was

RESOLVED BY COUNCIL

THAT the report by the Executive Mayor in respect of item SC01A/04/2016 be considered.

SC01A/04/2016

LAND : REQUEST FOR A SITE BY THE DEPARTMENT OF HEALTH FOR THE PURPOSE OF BUILDING A HOSPITAL

7/2/3/2/4; 7/2/3/2/15 (L)/yb

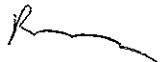
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RESOLVED BY COUNCIL

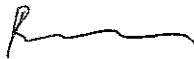
1. **THAT** Council confirm that a portion of Portion 364 of the farm Middelburg Town and Townlands 287 JS measuring 20 hectares in extent and situated near the Middelburg Mall along the Bethal Road [R35] ("the property") is not needed to render a minimum level of basic municipal services and the property will not be required for the municipality's own use at a later stage.
2. **THAT** the donation of the property be approved subject to the following conditions and the requirements of the Municipal Asset Transfer Regulations:
 - 2.1 **That** the Accounting Officer be authorized to alienate the property as an unsolicited bid.
 - 2.2 **That** the unsolicited bid be made public in accordance with Section 79(18) of the Local Government Ordinance 17 of 1939 as amended read together with Section 21 of the Municipal Systems Act 32 of 2000 as amended, Section 113 of the Municipal Finance Management Act 56 of 2003 and Section 44 of the Council's Supply Chain Management Policy.
 - 2.3 **That** although the property is donated, that note be taken that the fair market value of the property is R13 000 000.00 (Thirteen Million Rand) excluding VAT.
 - 2.4 **That** all costs to be incurred except for advertisement of the alienation of the property, be for the cost of the applicant.
 - 2.5 **That** the property be utilized only for hospital and related uses.



- 2.6 **That** a written deed of donation be entered into between the municipality and the applicant.
- 2.7 **That** the final location of the property be determined by the Executive Director: Infrastructure Services in consultation with the applicant.
- 2.8 **That** the property be properly fenced off at the cost of the applicant.
- 2.9 **That** the applicant be required to construct the hospital within 3 (three) years from the date of donation of the property.
- 2.10 **That** the applicant be exempted from the payment of the assessment rates and taxes for a period of 3 (three) years from the date of donation of the property in line with the property rates policy.
- 2.11 **That** the applicant be required to conduct town planning processes which will involve subdivision and rezoning at their own cost.
- 2.12 **That** note be taken that the property is not serviced with water, sanitation, electricity and tarred road.
- 2.13 **That** note be taken that provision of a 9 hectare piece of land for institutional purposes has been made on the concept layout plan, which layout plan should be amended to cater for the requested 20 hectare piece of land.
- 2.14 **That** the demand capacity for water and electricity should be indicated from the outset on this request.
- 2.15 **That** the installation of services costs are for the account of the applicant.
- 2.16 **That** the expected loss on the alienation of 200 000m² of portion 364 of the farm Middelburg Town and Townlands 287 JS, based on the carrying value as reflected in the property, plant and equipment register will amount to R1 376 000 and based on the fair market value as determined by the Director : Property and Valuation Services will amount to R13 000 000.
- 2.17 **That** note be taken that there will be revenue generated from the property rate and other trading services.
- 2.18 **That** the transaction will have no negative effect on Council's credit rating nor will it have any negative effect on Council's ability to raise any further borrowings.
- 2.19 **That** note be taken that the Council has no liabilities or reserve funds attached to the property.



- 2.20 **That** the applicant be advised that the property has no access to bulk infrastructure and as such the main service contributions need to be calculated.
- 2.21 **That** once the calculations are made, it be negotiated with the applicant and a further report be submitted in this regard.
- 2.22 **That** the expected loss that is expected to result from the proposed transfer be recognised in the statement of the Financial Performance.
- 2.123 **That** note be taken that as the property will be donated there will be no significant economic and financial cost or benefit to the municipality.
- 2.24 **That** it will be in the interest of the community for the property to be donated to the applicant.
- 2.25 **That** there are no reserve funds associated with the capital asset.
- 2.26 **That** the legislative regime applicable to the proposed transfer be complied with.
3. **THAT** Council take note that according to Sub-section 6 of Section 14 of the Municipal Finance Management Act 56 of 2003 ("the MFMA"), Section 14 of the MFMA does not apply to the transfer of a capital asset to another municipality or municipal entity or to a National or Provincial Organ of state.
4. **THAT** note be taken that there is a proposal for the construction of a clinic in Rockdale to be funded by another mining house and a report in this regard will be submitted to Council.

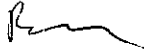


DELEGATED POWERS

Upon request by the Executive Mayor, it was

RESOLVED BY COUNCIL

THAT Council take note that no delegated matters were considered under this report.

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EXTRACT FROM THE MAYORAL COMMITTEE HELD ON
21 APRIL 2016

NON DELEGATED POWERS

Upon request by the Executive Mayor, it was

RESOLVED BY COUNCIL

THAT the report by the Executive Mayor in respect of items SC12/04/2016 & SC14/04/2016 be considered.

SC12/04/2016

PROVINCIALISATION OF PRIMARY HEALTH CARE SERVICES: IMMOVABLE ASSETS

6/1/2/3 (C)/yb

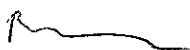
RESOLVED BY COUNCIL

1. **THAT** Council take note of the report by the Executive Director: Community Services on the transfer of immovable assets used for primary health care services.
2. **THAT** in terms of Regulation 32 of the Municipal Asset Transfer Regulations, a list of all affected immovable assets be provided to the Mpumalanga Department of Health for them to do a due-diligence review of those assets and provide Council with their results before any assets are transferred.
3. **THAT** Council donate the following immovable assets to the Mpumalanga Department of Health at no cost:
 - 3.1 "stand alone" clinics:
 - 3.1.1 Mhluzi Proper Clinic – Erf 2116 Mhluzi Proper;
 - 3.1.2 Simunye Clinic – Erf 7096 Mhluzi Extension 4;
 - 3.1.3 Mhluzi Extension 6 Clinic – Erf 8875 Mhluzi Extension 5
 - 3.2 "shared" clinics after subdivision:
 - 3.2.1 Hendrina Clinic – Erf 249 Hendrina;
 - 3.2.2 Mhluzi Extension 8 Clinic – Portion of Erf 10803 Mhluzi Extension 8;
 - 3.2.3 Eastdene Clinic – Portion of Portion 26 of Erf 2116 Eastdene;
 - 3.2.4 Nasaret Clinic – Erf 340 Nasaret; and



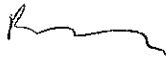
3.2.5 Newtown Clinic – Portion of the remainder of Portion 189 of the farm Middelburg Town and Townlands 287 JS.

4. **THAT** Council take note that the estimated loss on all assets to be transferred to the Mpumalanga Department of Health will amount to ±R11 419 250.00 and that it be recognised in the statement of financial performance.
5. **THAT** all costs for rezoning, subdivision and transfer be for the account of Mpumalanga Department of Health ("the applicant").
6. **THAT** all the assets listed in 3 above be derecognised from the asset register once the deed of donation and agreement is signed.
7. **THAT** where the CMR currently leases portions of the properties to be transferred to the Mpumalanga Department of Health, it be made a condition of the transfer that the department enter into a similar lease agreement with CMR.
8. **THAT** a written transfer agreement be entered into with the Mpumalanga Department of Health, which should include the minimum requirements as stipulated in Regulation 30 of the Municipal Asset Transfer Regulations.
9. **THAT** lease agreements be entered into as per the Municipal Asset Transfer Regulations for the following properties:
 - 9.1 Pullenshope Clinic (Erf 431 Pullenshope) at a rental amount of R30,00/m² per month excluding VAT;
 - 9.2 Komati Clinic (Erf 287 Komati) at a rental amount of R30,00/m² per month excluding VAT; and
 - 9.3 Doornkop Clinic (Erf 150 Doornkop) at a rental amount of R40,00/m² per month excluding VAT.
10. **THAT** the Mpumalanga Department of Health be informed that the Civic Centre Clinic cannot be alienated to them, and be given 12 (twelve) months notice from the date of the resolution, to vacate the premises.
11. **THAT** the Mpumalanga Department of Health be responsible for the payment of water and lights accounts and enter into a consumer agreement effective from 1 July 2016.
12. **THAT**, where the properties need to be subdivided and individual meters exist, the Mpumalanga Department of Health be responsible for those accounts, subject to that the necessary consumer agreements be entered into effective from 1 July 2016.
13. **THAT**, where the properties are to be subdivided, the Mpumalanga Department of Health be responsible to install at their cost separate meters for electricity and water.



14. **THAT** Council take note that Section 14(1) to (5) of the Local Government : Municipal Finance Management Act 56 of 2003 does not apply if a municipality transfers a capital asset to an organ of state.
15. **THAT** the Accounting Officer be authorised to alienate the properties as an unsolicited bid.
16. **THAT** the unsolicited bid be made public in accordance with Section 79 (18) of the Local Government Ordinance 17 of 1939 as amended read together with Section 21 of the Municipal Systems Act 32 of 2000 as amended, Section 113 of the Municipal Systems Act 56 of 2003 and Section 44 of the Council's Supply Chain Management Policy.
17. **THAT** although the below mentioned properties are donated, that note be taken that the fair market value of the properties ("stand alone clinics") have been determined as follows:
- 17.1 Description of property : Mhluzi Proper Clinic located on Erf 2116, Mhluzi Property.
- Extent of land : 7386m²
- Market Value : R3 280 000,00 (Three Million Two Hundred and Eighty Thousand Rand) excluding VAT.
- 17.2 Description of property : Simunye clinic located on Erf 7096, Mhluzi Extension 4.
- Extent of land : 1866m²
- Market Value : R1 420 000,00 (One Million Four Hundred and Twenty Thousand Rand) excluding VAT.
- 17.3 Description of property : Mhluzi Extension 6 Clinic located on Erf 8875, Mhluzi Extension 5.
- Extent of land : 2043m²
- Market Value : R2 420 000,00 (Two Million Four Hundred and Twenty Thousand Rand) excluding VAT.
18. **THAT** although the below mentioned properties are donated, that note be taken that the fair market value of the properties ("shared clinics") have been determined as follows:



- 18.1 Description of property : Hendrina clinic located on a Portion of Erf 249, Hendrina.
- Extent of land : Approximately 2290m² portion of Erf 249, Hendrina.
- Market Value : R1 850 000,00 (One Million Eight Hundred and Fifty Thousand Rand) excluding VAT.
- 18.2 Description of property : Mhluzi Extension 8 clinic located on a Portion of Erf 10803, Mhluzi Extension 8.
- Extent of land : Approximately 2821m² portion of Erf 10803.
- Market Value : R1 550 000,00 (One Million Five Hundred and Fifty Thousand Rand) excluding VAT.
- 18.3 Description of property : Eastdene clinic located on a portion of Portion 26 of Erf 2116, Eastdene.
- Extent of land : Approximately 200m² portion of Portion 26 of Erf 2116.
- Market Value : R860 000,00 (Eight Hundred and Sixty Thousand Rand) excluding VAT.
- 18.4 Description of property : Nasaret clinic located on a Portion of Erf 340, Nasaret.
- Extent of land : Approximately 1350m² portion of Erf 340, Nasaret.
- Market Value : R1 050 000,00 (One Million and Fifty Thousand Rand) excluding VAT.
- 18.5 Description of property : Newtown clinic located on a portion of the Remainder of Portion 189 of the farm Middelburg Town and Townlands 287 JS.
- Extent of land : Approximately 640m².
- Market Value : R260 000.00 (Two Hundred and Sixty Thousand Rand) excluding VAT.
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19. **THAT** all costs to be incurred except for advertisement of alienation of the properties be for the applicant.
20. **THAT** the properties be utilised only for clinics and related uses.
21. **THAT** the necessary deeds of donation and lease be entered into between the municipality and the applicant.
22. **THAT** all the legislative regime applicable to the donation and lease of the properties be complied inclusive of the Municipal Asset Transfer Regulations.
23. **THAT** the Acting Executive Director: Infrastructure Services be requested to submit a further report with regard to the existing Kwazamokuhle Clinic located on Erf 206 Kwazamokuhle Proper.

SC14/04/2016

FINANCES: FINANCIAL QUARTERLY REPORT: MARCH 2016

9/2/1 (U)

RESOLVED BY COUNCIL

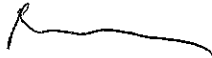
- 1 **THAT** the quarterly report on the implementation of the budget and the financial affairs for the municipality referred to in Section 52(d) of the MFMA for the quarter ending 31 March 2016, be noted.
- 2 **THAT** permission be granted to the Executive Director : Financial Services to submit the report in both an electronic and hard copy format to the National and Provincial Treasuries within five working days after tabling in the Council.
- 3 **THAT** permission be granted to the Executive Director: Financial Services to place the quarterly report on the municipal website for the quarter ending 31 March 2016. 

DELEGATED POWERS

Upon request by the Executive Mayor, it was

RESOLVED BY COUNCIL

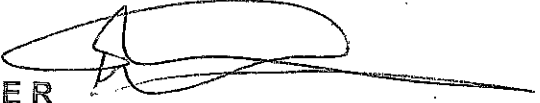
THAT Council take note that no delegated matters were considered under this report.

A handwritten signature in black ink, consisting of a stylized, cursive letter 'R' followed by a horizontal line.

4 CLOSURE

Meeting adjourned at 17:50

SIGNED AT MIDDELBURG ON 30/06/2016

SPEAKER  _____