

CITY OF MASVINGO

MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE FINANCE AND GENERAL PURPOSES COMMITTEE HELD IN THE COMMITTEE ROOM, MUNICIPAL OFFICES ON MONDAY, 19 FEBRUARY 2024 AT 5.10 P.M.

PRESENT: Councillor B. Muchokwa (Chairman)
Councillor R. Musekiwa
Councillor M. Madhuna
Councillor S. Manyanga

OFFICIALS: Chamber Secretary
Finance Director
Acting Deputy Finance Director
Senior Health Officer
Area Superintendent
Committee Officer

040. CONFIRMATION OF MINUTES

RESOLVED

THAT the minutes of the meeting held on 23 January 2023 be taken as read and confirmed as a correct record and signed.

*Moved by Councillor R. Musekiwa
Seconded by Councillor M. Madhuna*

041. REPORT OF THE FINANCE DIRECTOR

A. FINANCIAL PERFORMANCE.

Consideration was given to the report of the Finance Director on financial performance covering total cumulative revenue and major sources of revenue for the period under review. It was reported that the total cumulative revenue for the period up to 31 January 2024 amounted to ZWL\$ 14,511,047,040.73. Total revenue realized constituted 74.38% of the budgeted revenue for the period amounting to ZWL\$ 19,511,706,021.84. The major sources of revenue for the period were rental revenue amounting to 5%, fees licenses and levies 36%, other income 1%, rendering of services 32% and sales tariffs 26%. The Committee highlighted the need to revive income generation projects in order to raise more revenue to finance service delivery.

(i) Measures being undertaken to improve revenue efficiency.

It was reported that Council had initiated USD billing for the 2024 Budget to preserve value of council revenue.

(ii) Expenditure

It was reported that the total expenditure for the period up to 31 January 2024 was ZWL\$ 8,849,830,852.25 representing 43.4% of budgeted expenditure. It was reported that expenditure continued to be constrained by cashflows challenges coupled with the inflationary pressures in the economy. The report of the Finance Director on staff salaries and other recurrent expenditure was noted and it was agreed that the Finance Director should avail a report to the Committee showing overtime payments per Department or section.

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RESOLVED TO RECOMMEND

THAT the Finance Director be instructed to submit a report on overtime showing distribution of overtime accrued by Department/Section. **FD**

iii) Statutory Obligations

The report of the Finance Director on Statutory obligations due as presented below was noted.

DESCRIPTION	AMOUNT (ZWL)
ZIMRA (PAYE AND AIDS LEVY)	1,321,528,041.65
NSSA	158,585,222.61
LAPF	885,772,892.41
ZIMDEF	934,248,542.72
STANDARDS LEVY	164,860,660.96
Total Statutory Obligations	3,164,995,342.35

B. CAPITAL EXPENDITURE

It was reported that the total capital expenditure for the month amounted to ZWL\$75,043,327.59 and cumulative capital expenditure for the year as at 31 January 2024.

Pre-paid parking activities

The Committee noted the report of the Finance Director for the month of January 2024 covering revenue realised from pre-paid parking activities which amounted to ZWL\$ 255,381,000.00 realised from the sale of 29055 parking discs, office sales of ZWL\$13,860,075.00 whilst penalties and enforcement fees amounted to ZWL\$ 4,910,000.00 giving a total collection amounting to ZWL\$274,151,075.00 for the month. The income and expenditure statement for the Prepaid Parking Section and challenges faced was noted. The Committee noted the need to procure a towing truck for the section to enhance enforcement of traffic by laws.

C. CASHBOOK AND CASH FLOW PROJECTIONS

The report of the Finance Director on the cashbook and actual cashflow as at 31 January 2024 and bank balances was noted.

D. DEBTORS AND DEBT COLLECTION (RECEIVABLES MANAGEMENT)

Consideration was given to the report of the Finance Director on debtors and debt collection covering debtors by category low density and high density residential, commercial, government departments. It was reported that total debtors amounted to ZWL\$ 47,592,896,076.73. The distributions of debtors by category, i.e commercial, industrial, residential high density, low density and institutions was noted.

It was reported that ZWL\$ 8,975,315,564.28 for the month of January 2024 was collected translating to collection efficiency of 61.8%.

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The Committee highlighted the need to strengthen debt collection. The Committee expressed concern on the average electricity bill for the water treatment and sewage treatment works.

It was reported that the bill for the Waterworks for the month under review amounted to approximately USD 150,000 per month (equivalent in the Zimbabwean dollar) which was very heavy on Council collections. It was noted that the lasting solution to meeting the electricity bill lay in the review of Council tariffs and a massive debt collection strategy whilst sticking to the agreed payment plan. The need for Council to consider expediting the construction of a solar plant to augment conventional electricity supply to the waterworks was highlighted.

E. STORES AND ASSET MANAGEMENT

The report of the Finance Director on Stores and stores management covering stock levels of critical consumables including water treatment chemicals, status of fuels and oils for the month of January 2024 was noted.

F. TAXATION AND STATUTORY OBLIGATIONS

The report of the Finance Director taxation covering taxation statutory obligations such as value Added tax (VAT), Withholding tax, Pay as You Earn (PAYE) and presumptive taxes was noted. It was reported that stop order facilities arrangements had been made with some creditors.

G. RATIFICATION OF PURCHASE OF REFUSE COMPACTOR

The Committee considered and ratified the report of the Finance Director on the procurement of a Refuse Compactor Truck at a cost of USD 179,141.15 funded from the Estate Account.

RESOLVED TO RECOMMEND

THAT the purchase of a Refuse Compactor truck at a cost of USD 179,141.15 funded from the Estate Account be ratified.

H. Adoption of Report

RESOLVED TO RECOMMEND

THAT the report of the Finance Director be approved and adopted subject to the resolutions passed in relation thereto.

042. REPORT OF THE DIRECTOR OF HOUSING AND SOCIAL SERVICES

A. LIQUOR SECTION REPORT

The Committee considered the report of the Director of Housing and Social Services on Council liquor outlets covering sales by brand and outlet, profitability and challenges for the month of January 2024. It was reported that the section recorded a net profit of ZWL 22,003,434.91. Regarding challenges faced by the Liquor Section, it was reported that the section required two Barmen/Barladies and there was need to acquire a dedicated vehicle for the operations. The report was noted.

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B. FUNDING TO COMPLETE TANAIWA HOSTELS UPGRADING

The Committee considered the report of the Director of Housing and Social Services on the funding secured by Dialogue on Shelter for the completion of upgrading works at Tanaiwa Hostels Block 3&4 and installation of water harvesting system at Garikai Market Pay Toilet. It was noted that the funding acquired amounted to Euro 21,196. The report was noted.

C. Adoption of Report

RESOLVED TO RECOMMEND

THAT the report of the Director of Housing and Social Services be approved and adopted subject to the resolution passed in relation thereto.

The meeting ended at 7.43 p.m

CONFIRMED THIS

DAY OF

2024

CHAIRMAN

TOWN CLERK