

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 WEDNESDAY, 19 JUNE 2024 AT 5.06 P.M.**

PRESENT: Councillor B. Muchokwa (Chairman)
Deputy Mayor Councillor D. Mberikunashe
Councillor M. Madhuna
Councillor S. Manyanga

APOLOGY: Councillor A. Time

ABSENT: Councillor R. Musekiwa

OFFICIALS: Finance Director
Chief Environmental Health Officer
Acting Deputy Finance Director
Acting Director of Engineering Services
Chief Internal Auditor
Estates and Valuation Officer
Committee Officer

166. ELECTION OF VICE CHAIRMAN OF THE FINANCE AND GENERAL PURPOSES COMMITTEE

Some members queried why the election of the Vice Chairman of the Finance and General Purposes Committee had not been done when the post fell vacant following the election of His Worship the Mayor, Councillor A. Tabe to the post of Mayor who had held the post of Vice Chairman of the Committee. It was agreed to defer the item to a meeting where all members would be present given that two Committee members Councillors R. Musekiwa and A. Time could not attend the meeting.

RESOLVED TO RECOMMEND

THAT the election of the Vice Chairman of the Finance and General Purposes Committee be deferred to a later date where all Committee members will be present.

167. CONFIRMATION OF MINUTES

Before the confirmation of the minutes;

- Minute 133 was corrected by the deletion of 'for the' after 'made'.
- The heading of minute of the meeting held on 3 June 2024 was corrected to read that this was a Special meeting of the Finance and General Purposes Committee.
- On page 1, a correction was made on Minute 113 to read "road" by the addition of 'a' between 'o' and 'd'.

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On Minute 133, with regards to the attendance of Committee meetings by the Economic Development Officer it was corrected that the Town Clerk had the prerogative to invite an Officer to attend Committee meetings.

RESOLVED

THAT the minutes of the meeting held on 22 May 2024 and 3 June 2024 be taken as read and confirmed as a correct record and signed.

Minutes of 22 May 2024

Moved by Councillor M. Madhuna
Seconded by Councillor S. Manyanga

Minutes 3 June 2024

Moved by Councillor M. Madhuna
Seconded by Councillor S. Manyanga

168. MATTERS ARISING

i) Minute: Water Meter Replacement

The Finance Director reported that the procurement of the first batch of 250 Water Meters was in progress and the acquisition of more water meters would be done in phases to address non-revenue water challenges arising from unmetered water consumption.

169. 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 May 2024 amounted to ZiG48,730,044.99. Total revenue realized constituted 91% of the budgeted revenue for the period amounting to ZiG 53,450,062.80. The major sources of revenue for the period were rental revenue amounting to 5%, fees licenses and levies 24%, sales and tariffs 35% and rendering of services 28%.

(i) Measures being undertaken to improve revenue efficiency.

It was reported that Council would embark on educational awareness campaigns to encourage residents to pay their bills in collaboration with Charles Austin Theatre. Plans were also underway to surface more parking bays in the Central Business District to increase revenue.

(ii) Expenditure

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It was reported that the total expenditure for the period up to 31 May 2024 was ZiG 29,848,245.90 representing 56% of budgeted expenditure. The report of the Finance Director on staff salaries and other recurrent expenditure was noted.

iii) Statutory Obligations

The report of the Finance Director on Statutory obligations due as presented below was noted. The Committee highlighted the need to prioritise payment of statutory obligations.

DESCRIPTION	AMOUNT (ZiG)
ZIMRA (PAYE AND AIDS LEVY)	1,434,804.40
NSSA	318,625.89
LAPF	1,545,843.67
ZIMDEF	98,529.71
STANDARDS LEVY	42,534.10
WORKERS UNIONS	83,858.90
NET SALARIES	394,864.40
MEDICAL AID FUND	519,801.98
Total Statutory Obligations	4,438,863.05

B. CAPITAL EXPENDITURE

It was reported that the Total capital expenditure for the month amounted to ZiG 486,404.92.

Pre-paid Parking activities

The Committee noted the report of the Finance Director for the month of May 2024 covering revenue realised from pre-paid parking activities which amounted to ZiG 465,105 realised from the sale of 34,759 parking discs, office sales of ZiG 76,389 giving a total collection amounting to ZiG 541,494 for the month.

The Income and expenditure statement for the Prepaid Parking Section and challenges faced was noted, mainly understaffing of enforcement personnel and motorists evading payment of prepaid parking by parking their vehicles at peripheries of town to evade payment. The Finance Director was instructed to submit a report to the next meeting on the coverage of the prepaid Parking in the Central Business District.

RESOLVED TO RECOMMEND

THAT the Finance Director be instructed to submit a report to the next meeting of the Finance and General Purposes Committee on the coverage of the Prepaid Parking project in the Central Business District. **FD**

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C. CASHBOOK AND CASH FLOW PROJECTIONS

The report of the Finance Director on the cashbook and projected and actual cashflow as at 31 May 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 that is low density and high density residential, commercial, Government Departments.

The distributions of debtors by category showing the percentage of debt owed by each category was noted with commercial owing 21%, industry 8%, high density residential 25%, medium density residential 5%, low density residential 15%, institutions 1% and Government Departments 17% and land sales 8%. Total collections amounted to ZiG 16,645,311.10 from billing of ZiG 29,631,342.62 reflecting a collection efficiency of 56.15% down from 63% in April 2024. The committee highlighted that the Finance Director should continue to pursue debt set-off arrangements for Government debt and Council creditors.

E. CREDITORS AND PAYABLES MANAGEMENT

The report of the Finance Director on Creditors Management covering total creditors was noted.

F. 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 period under review was noted.

G. 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.

H. RATIFICATION OF PAYMENT OF VISA FACILITATION AND APPLICATION

Consideration was given to the report of the Finance Director on the ratification of payment of Visa application fees for Turkish Visas for the Finance Director, Mr. D. Jori and Deputy Mayor, Councillor D. Mberikunashe amounting to USD 800.00 who will be attending the International Tourism Alliance of Silk Road Cities, in Istanbul Turkey for the period 27-30 June 2024. It was reported that the visa application expenses had been erroneously omitted when the costs of the trip were presented and approved by Council by Minute 149 (A) of the special meeting of the Finance and General Purposes Committee held on 3 June 2024.

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RESOLVED TO RECOMMEND

THAT the payment of visa fees amounting to USD 800 for the Finance Director, Mr. D. Jori and Deputy Mayor, Councillor D. Mberikunashe who will be attending the International Tourism Alliance of Silk Road Cities in Istanbul Turkey for the period 27-30 June 2024 be ratified. **FD**

I. OUTSTANDING RENTALS ON COUNCIL PROPERTIES

The Committee noted the report of the Finance Director on the outstanding rentals for Council properties being debtors aged analysis covering boosters, Council flats, Council rented houses, farms, firewood stalls, market stalls and staff houses.

The total amount owed was USD 705,930.56 with telecommunications operators (booster rental) owing USD 106,191.69, Council rented houses owing USD 348,939.57 and Market Stalls owing USD 195,353.15. The Committee highlighted the need to follow up on outstanding rentals for all Council properties and where necessary handing over debtors for collection.

Of the total Council properties, rented premises owed 49% of the total amount, farms, 4%, firewood shops 2%, market stalls 28%, staff houses 2% and telecommunications operators (boosters) 15%.

J. REQUEST FOR AUTHORITY TO INVEST COUNCIL FUNDS ON THE MONEY MARKET

Consideration was given to the report of the Finance Director on the request for authority to invest a total amount of USD 600,000 for a period of thirty days on the money market given that the funds would not be used in the immediate future pending procurement of essential materials. It was highlighted that investing Council funds on the money market was provided for in the Urban Councils Act Chapter 29:15.

Management had also requested for permission to rollover the investments at the prevailing market terms until the specific projects commence and the rollover will be reported to the Committee. It was reported that USD 450,000 was held with ZB Bank and National Building Society (NBS) held USD 150,000. ZB Bank was offering interest of 7% per annum whilst NBS offered interest of 6.5% per annum. On fears by the Committee regarding risks associated with investing on the money market, it was clarified the regulator of financial institutions had not raised any alarm on the operations of the two banks. The Committee approved the request to invest the funds held in the two banks on the money market for an initial period of thirty days at the prescribed interest rates and instructed Management to rollover the investments at the prevailing market rates until the procurement processes for the respective projects are finalised and report to the Committee on such rollover.

RESOLVED TO RECOMMEND

1. THAT the Finance Director be instructed to invest on the money market project funds amounting to USD 450,000 with ZB Bank for a period of thirty days attracting an interest rate of seven percent per annum. **FD**

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2. THAT the Finance Director be instructed to invest on the money market project funds USD 150,000 with National building Society for a period of thirty days attracting an interest rate of six and half percent per annum. **FD**
3. THAT Management be authorised to rollover the investments with ZB Bank and National Building Society Bank at the prevailing market rates until the procurement processes for the respective projects are finalised and report to the Committee whenever such rollover are done. **FD**

K. 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.

170. 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 was for the month of May 2024 was considered. The Committee noted the low sales in the Council Liquor outlets which was attributed to the cold weather associated with reduced consumption of alcoholic beverages.

B. REQUEST FOR WAIVER OF PAYMENT OF LEASE RENTALS BY MASVINGO TEACHERS' COLLEGE FOR CHESVINGO PRE-SCHOOL: USD 600.

The Committee considered the report of the Director of Housing and Social Services on the request for waiver of rentals for a period of three months by Masvingo Teachers College who were leasing the Pre-School at Chesvingo Safe Market. Masvingo Teachers College had partnered the City of Masvingo and International Labour Organisation through the Ministry of Home Affairs to operate the Pre School.

It was reported that Masvingo Teachers College's monthly rentals had been pegged at USD 200. The reason for request for waiver of lease rental payments was that the Pre-School had started operating mid-term hence it had low enrolment and Masvingo Teachers College was in the process of mobilising equipment to operate the school. The Committee turned down the request for waiver of lease rentals on the basis that if the institution did not have the capacity to run the facility, they should hand it back to Council for other tenants to be considered.

RESOLVED TO RECOMMEND

THAT the request by Masvingo Teachers College for waiver of lease rentals for Chesvingo Safe Market Pre School for a period of three months at USD 200 per month be turned down. **DHSS**

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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.

171. REPORT OF THE ACTING DIRECTOR OF ENGINEERING SERVICES

A. ADOPTION OF CITY OF MASVINGO MASTER PLAN.

Consideration was given to the report of the Acting Director of Engineering Services on the adoption of the City of Masvingo Master Plan.

It was reported that following “A Call to Action” blue print on Local Authority Service Delivery Interventions, a deadline was set up for all local authorities to have crafted Master Plans by 30 June 2024, thus the City of Masvingo embarked on the Master Plan Review Process in February 2024 as guided by Section 13 and 14 of the Regional, Town and Country Planning Act Chapter 29:12.

The City of Masvingo engaged the services of a Lead Planner to steer the process. An extensive study of the City was undertaken which culminated in a draft Report of Study. A stakeholders Report of Study Validation Workshop was held in May 2024. The Lead Planner proceeded to draft the written statement which was validated on 13 June 2024. The Acting Director of Engineering Services was requesting Council to adopt Master Plan before it can be shared with the Minister of Local Government and Public Works as guided by the Regional, Town and Country Planning Act Chapter 29:12. The request was approved.

RESOLVED TO RECOMMEND

THAT Council adopts the City of Masvingo Master Plan pending submission of same to the Ministry of Local Government and Public Works, as guided by the Regional, Town and Country Planning Act Chapter 29:12. **ADES**

B. REQUEST FOR FUNDING FOR REPAIR OF VEHICLES

Consideration was given to the report of the Acting Director of Engineering Services on the request for funding for resuscitation of the grounded Council fleet following an oversight visit to the Municipal Workshop by the Public Works and Planning Committee. Six vehicles AAE 8498 (Mitsubishi, AAE 5724 (Mazda B1800), Changlin Grader, TLB, AAE 5777 Mazda, T35, AAE 5722, Nissan UD 80 at a total cost of USD18,800.

The Acting Director of Engineering Services provided an itemised list of the spare parts and service required to bring back the fleet on the road. It was agreed that one Ambulance be added to the list of vehicles earmarked for resuscitation.

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RESOLVED TO RECOMMEND

THAT Management be tasked to prioritise the repair of the following Council fleet namely AAE 8498 (Mitsubishi, AAE 5724 (Mazda B1800), Changlin Grader, TLB, AAE 5777 Mazda, T35, AAE 5722, Nissan UD 80 at a cost of USD 18,000 excluding the Ambulance. **FD**

C. Adoption of Report

RESOLVED TO RECOMMEND

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

The meeting ended at 7.49 p.m.

CONFIRMED THIS DAY OF 2024

CHAIRMAN

TOWN CLERK