

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, 22 JULY 2024 AT 4.40 P.M.**

PRESENT: Councillor B. Muchokwa (Chairman)
His Worship the Mayor Councillor A. Tabe
Deputy Mayor Councillor D. Mberikunashe
Councillor M. Madhuna
Councillor S. Manyanga
Councillor A. Time
Councillor R. Musekiwa

OFFICIALS: Acting Town Clerk
Finance Director
Acting Director of Engineering Services
Chief Internal Auditor
Senior Health Officer
Deputy Finance Director
Economic Development Officer
Administration Officer
Committee Officer
Assistant Committee Officer

199. CONFIRMATION OF MINUTES

RESOLVED

THAT the minutes of the meeting held on 19 June 2024 and 3 June 2024
be taken as read and confirmed as a correct record and signed.

*Proposed by Deputy Mayor Councillor D. Mberikunashe
Seconded by Councillor S. Madhuna*

200. MATTERS ARISING

i) Minute 168(i): 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.

(ii). Unpaid Telecoms Base Station Rentals

The Finance Director reported that letters of demand had been written to rental debtors including Telecommunication operators. It was explained that Telecel had been handed over to Council lawyers and promised to come up with a payment plan to clear their debt.

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(iii). Purchase of Equipment for the new Landfill in Cumbria Farm

It was reported that Council had applied to the Minister of Local Government and Public Works, for borrowing powers to finance the procurement of equipment for the new landfill. The matter was referred to Management for alternative arrangements in view of the fact that the Minister was yet to approve the borrowing powers.

RESOLVED TO RECOMMEND

THAT the Finance Director be instructed to refer the procurement of equipment for the new landfill, to Management for consideration. **FD**

200. 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 30 June 2024 amounted to ZiG72 086 857.51 Total revenue realized constituted 84% of the budgeted revenue for the period amounting to ZiG 86 299 619.60. The major sources of revenue for the period were rental revenue amounting to 7%, fees licenses and levies 27%, sales and tariffs 29%.

(i) Measures being undertaken to improve revenue Collection.

It was reported that Council embarked on the stakeholder 2024, first quarter budget performance feedback meetings. Council took the opportunity to explain the challenges and successes encountered and the implementation of the 2024 budget tariffs with effect from July 2024. The report was noted.

(ii) Expenditure

It was reported that the total expenditure for the period up to 30 June 2024 was ZiG 41 627 895.160 representing 47% of budgeted expenditure. The report of the Finance Director on staff salaries and other recurrent expenditure was noted. The need to improve on collections to reduce the salary to service delivery ratio was emphasised.

(iii) CAPITAL EXPENDITURE

It was reported that the total capital expenditure for the month amounted to ZiG 602 806.38. The report was noted.

Pre-paid Parking activities

The report of the Finance Director for the month of June 2024 covering revenue realised from pre-paid parking activities which amounted to ZiG 424 637.00 from the sale of 31 387 parking discs, office sales of ZiG 34 012 giving a total collection amounting to ZiG 458 649.00 was noted.

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Concern was raised that there were a lot of revenue leakages in the Pre-Paid Parking Section. It was suggested and agreed that the Chief Internal Auditor should investigate the allegation and come up with ways to reduce revenue leakages.

It was also noted that the Pre-Paid Parking By law which had been requested in the previous meeting had been circulated to members for familiarisation. The report was noted.

RESOLVED TO RECOMMEND

THAT the Chief Internal Auditor be instructed to conduct a detailed study of the operations of the Prepaid Parking Section with a view to reduce alleged revenue leakages. **CIA**

C. CASHBOOK AND CASH FLOW PROJECTIONS

The report of the Finance Director on the cashbook and projected and actual cashflow as at 30 June 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 24%, industry 9%, high density residential 21%, medium density residential 5%, low density residential 14%, institutions 7% and Government Departments 19% and land sales 5%. Total collections amounted to ZiG 1 241 482.44 from billing of ZiG1 747 948.32 reflecting a collection efficiency of 71.03% up from 56.15% in May 2024.

The need to restore confidence of ratepayers in Council was highlighted for effective collection strategies.

E. BILLING TREND ANALYSIS

The billing trends for the Months of April, May and June 2024 was considered. The Collection efficiency was 63% , 56% and 71.03% respectively.

F. CREDITORS AND PAYABLES MANAGEMENT

The report of the Finance Director on Creditors Management covering total creditors for the month of June 2024 was noted. On statutory deductions like PAYE and VAT, it was explained that Council was adhering to the payment arrangements and was working well.

G. STORES AND ASSET MANAGEMENT

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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 June 2024 was noted.

H. CAPITAL BUDGET FINANCING

It was reported that Council had mobilised resources for implementation of the approved 2024 capital projects amounting to US\$356 700.00. It was highlighted that respective were requested to initiate the procurement process for various projects as stated in the table below:

ASSET TYPE	USER	BUDGETED AMOUNT USD
Fire hose	Fire section	2,500.00
Cloverly Water Supply	Water Reticulation	8,000.00
Morningside Plots Water Connections	Water Reticulation	7,000.00
Davis Mugabe & Kubatana sewer upgrade	Sewer Disposal	5,000.00
Flametree sewer disposal	Sewer Disposal	16,000.00
Mucheni sewer upgrade	Sewer Disposal	8,000.00
Rujeko Sewer upgrade	Sewer Disposal	8,000.00
Kennen Park borehole drilling	Parks and garden	1,500.00
Grass cutters*4	Parks and garden	1,200.00
Push mower*2	Parks and garden	1,500.00
GIS Server	Engineering Admin	5,000.00
Desktop computers *10	ICT	10,000.00
Heavy duty photocopiers	ICT	7,000.00
Mucheke Admin Solar System	Mucheke Housing	7,000.00
swimming pool	Public works	40,000.00
Rujeko Secondary 2Blocks	Public works	60,000.00
Sub- Total		187,700.00
Vehicles		
Ambulance	Martenity Hospital	45,000.00
Pick up truck	Public Works	45,000.00
Pick up truck	central stores	40,000.00
Sedan- Pre-owned	Chamber Sec Admin	13,000.00
Sedan- Pre-owned	Finance and Admin	13,000.00
Sedan- Pre-owned	Housing Admin	13,000.00
Sub- Total		169,000.00
Grand Total		356,700.00

Clarification was sought on the progress on relocation of households affected by floods along Davis Mugabe Street in Runyararo South West. It was highlighted that Council made a commitment to avail land for the relocation of the affected households but Central Government should fund the construction of houses.

The 2024 Capital projects were approved for implementation.

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THAT the 2024 capital projects amounting US\$356 700.00 be approved for implementation.

The Finance Director and the Deputy Mayor declared interest on item (H) below and moved out of the meeting at this point.

H. REQUEST FOR REFUND ADDITIONAL AIRFARE EXPENSES INCURRED BY THE FINANCE DIRECTOR AND THE DEPUTY MAYOR:

Consideration was given to the report of the Finance Director on the request by the Finance Director, Mr D. Jori and the Deputy Mayor Councillor D. Mberikunashe, for refund of additional airfares on return from Istanbul, Turkey, where they attend the International Tourism Alliance of Silk Road Cities from 26 June 2024 to 2 July 2024. The two missed their flight after they encountered a shuttle transfer delay. The two had to make bookings for one-way travel from Istanbul to Harare to facilitate their return. The one way airfare was US\$1 200 each to make a total of US\$2400.00. The request for refund was approved by the Committee.

RESOLVED TO RECOMMEND

THAT Council refunds the Finance Director, Mr D. Jori and the Deputy Mayor, Mr D. Mberikunashe the sum of US\$1200 each being refund for the additional airfare paid for their one-way return trip from Istanbul, Turkey, where they attended the International Tourism Alliance of Silk Road Cities during the period 26 June 2024 to 2 July 2024. **ATC**

The Finance Director and the Deputy Mayor re-joined the meeting at this meeting.

I. Adoption of Report**RESOLVED**

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

201. REPORT OF THE CHAMBER SECRETARY**A. PROVISIONAL OFFER FOR STAND 27811 CORNER BULAWAYO/HARARE ROAD MASVINGO TO MR A. CUMMINGS.**

Consideration was given to the report of the request by Mr Cummings of Cummings Auto Electrical Services (Pvt) Ltd, for transfer of payment he made to Council in respect of Stand Number 27811, Corner Bulawayo/Harare Road, to his new Stand Number 29972 Oliver Street, Masvingo.

Background of the issue

Cummings Auto Electrical Services Pvt Ltd was offered stand 27811, corner Bulawayo/Harare road Masvingo on 4 April 2012. The stand was then repossessed by

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Council on 6 August 2018 after breach of clause 2 and 5 of the Agreement of Sale, stated as follows;

2. **THAT** as per Council Resolution 089g of February 2012 Full Council meeting, the Lessee pays a deposit of UDS\$ 15 000.00 on signing this agreement and the remainder to be paid within a 10 months period payable as follows: -

May	2012	US\$20 000.00
August	2012	US\$45 000.00
December	2012	<u>US\$50 000.00</u>
Total		US\$115 000.00

Therefore the total purchase price shall be **USD\$130 000.00**

5. **THAT** the Lessee undertakes that he will commence the erection of buildings in terms of the last proceeding clause not later than nine months after the date of the commencement of this Agreement, and shall proceed without undue delay to the completion of the same before 30 September 2013. The Lessor may in its entire discretion grant such further period in which so to commence the said buildings and to complete same as it may deem fit, on it being shown to its satisfaction that the Lessee has through causes beyond his control been prevented from commencing or completing building within the period of this Agreement.

Subsequently the Agreement of Sale was terminated in terms of clause 15 of the Agreement of Sale. According to clause 15 of the Agreement of Sale, the Lessee is not entitled to any refund to any rentals paid in terms of the Agreement of Sale.

15. **THAT** if the Lessee shall fail to pay the said rent, or any part thereof on the date when the same is due and payable as aforesaid, or if the Lessee shall fail to commence or complete the erection of buildings as hereinbefore provided, or if the Lessee shall become insolvent, or enter into liquidation or into any composition or deed of agreement with his or its creditors the Lessor shall be at the liberty to declare this agreement terminated and to take possession of the premises and to eject the Lessee therefrom, but without prejudice to any claim which the Lessor may have for unpaid rent, or for damages in lieu thereof, nor shall the Lessee be entitled to be refund of any rental paid by him in terms of the Lease.

Mr. Cummings' request:

Mr. Cummings has written a letter requesting the monies which he paid for stand 27811 Corner Bulawayo/Harare road, ZIMRE Park to be credited to his account for stand 29972 Oliver Street, Masvingo. He has laid down reasons for his request being that the original stand in ZIMRE Park was repossessed during the period when he was arrested and jailed as indicated in his letter.

It was suggested that Council might approve the waiver of clause 15 of the Agreement of Sale and credit the amount which was paid by Mr Cummings to his new stand number 29972 Oliver Street, Masvingo.

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Some of the members did not agree with the suggestion to transfer the monies on the basis that Council had repossessed Stand 27811 Corner Bulawayo/Harare Road due to non-development, and that the applicant had violated clause 15 of the lease agreement of sale. It was highlighted that the Committee should uphold clause 15 of the lease agreement.

Some of the members were of the view that whilst the applicant violated clause 15 of the lease agreement, since the reasons leading to non-development of the stand were genuine. It was explained that Mr A. Cummings was arrested and jailed. The members highlighted that the Committee should be lenient and sincere to the developer and make a waiver of clause 15 of the lease agreement. Debate ensued on the matter.

The Committee felt that the matter required further research before a decision could be made. The Chamber Secretary was instructed to refer the matter back to Management for further consideration. The motion was moved by Councillor R. Musekiwa, seconded by Councillor S. Manyanga.

RESOLVED TO RECOMMEND

THAT the request by Mr A. Cummings to transfer funds paid in 2012 for Stand Number 27811 Corner Bulawayo Road/ Harare Road (USD15 000) to his new Stand Number 29972 Oliver Street be put in abeyance, and the Chamber Secretary be instructed to refer the matter back to Management for reconsideration. **CS**

B. Adoption of Report**RESOLVED TO RECOMMEND**

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

202. REPORT OF THE ACTING TOWN CLERK**A. APPLICATION FOR EDUCATIONAL LOAN USD 200: KIMTON CHIGABA (111353).**

Consideration was given to the report of the Acting Town Clerk on the application by Kimton Chigaba (111353), for an educational loan of USD200.00 to undergo a Series Road Roller Compactor Course with DMR and Technical Service in Harare a period of two weeks. The application was granted subject to availability of funds in the revolving loan fund account.

RESOLVED TO RECOMMEND

THAT the application by Kimton Chigaba (111353), for an educational loan of USD200.00 to undergo a Series Road Roller Compactor Course with DMR and Technical Service in Harare for a period of two weeks be granted subject to availability of funds in the educational loan revolving fund account. **FD**

B. LIQUOR SECTION REPORT

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The Committee considered the report of the Acting Town Clerk on Council liquor outlets covering sales by brand and outlet, profitability and challenges for the month of June 2024. The section posted a turnover of USD194 174.53 and a net profit of USD19 553.00 for the month of June 2024. The Committee noted that the Section always report on understaffing and lack of a dedicated vehicle for operations.

It was highlighted that Council approved the establishment of a business unit to run the liquor section among other projects. Therefore, it was highlighted that the operational requirements of the Liquor Section would be addressed when the unit becomes functional. The report was noted.

C. Adoption of Report

RESOLVED TO RECOMMEND

THAT the report of the Acting Town Clerk be approved and adopted subject to the resolutions passed in relation thereto.

The meeting ended at 6.50 p.m.

CONFIRMED THIS

DAY OF

2024

CHAIRMAN

TOWN CLERK