

**Name of Meeting: Minutes of Revenue Enhancement Committee Meeting**

**Date : Wednesday, 13 March 2019**

**Venue: Executive Mayor's Boardroom, Civic Centre, Welkom**

ITEM NO.	DISCUSSIONS	RESOLUTION\S	PROGRESS	TARGET DATE	RESPON SIBILIT Y
1.	<b>Opening</b>  The Chairperson Cllr Dr. Manese welcomed everyone present and declared the meeting officially open. The Chairperson indicated that the schedule for 2019 has been distributed to the members and requested the Technical Committee to provide the same.	It was re-emphasized that Municipal Manager and the Executive Directors should submit their reports on or three days before the REC meeting.	<b>Issues to be given urgent constant attention:</b>  - Ensure that Collection rate is 65% or above from March 2019. - Each Departmental Strategy in ensuring that we maintain our target of collection rate of 65% or more. - Working towards ensuring that our 2019\2020, will be based on the Collection Rate of 65% or More	<b>15/05/2019</b>  i) Each department) to report on their activities that lead to achievement of our target of <b>65% or more</b> , beginning March 2019.  ii) Presentations to be as per our Standing agenda	Executive Directors; CFO; MM: - Finance; Infrastructure; Corporate Services; Community Services; LED & Human Settlement; IDP etc  MM & CFO & Exec. Directors
2.	<b>Roll Call</b> - LED/H&HS - Finance - Infrastructure - Community Services & Public Safety	<b>See attached attendance list</b>  Minutes of 13/03/2019 to be considered for adoption on 15\05\19			
3.	<b>Signing of attendance</b>				

<p>4.</p> <p>4.1</p>	<p><b>register: 13\03\19</b></p> <p>Minutes of the Previous meeting/Matters Arising/Adoption</p> <p><b><u>NEW MATTERS</u></b></p> <p><b>Martz &amp; Bokwa Attorneys</b></p> <p>The chairperson welcomed Mr Maritz and his associate. The Municipal Manager explained that Maritz and Bokwe attorneys were appointed to assist with matters relating to Eskom and Sedibeng.</p>	<p>Overview Report of Technical Committee Meeting to be presented in every REC meeting</p> <p><b>PRESENTATIONS &amp; INTERACTIONS</b></p> <p>Mr Maritz presented his report by explaining that they were negotiating on reducing the payment plan with Eskom because the current principal agreement was 11, 5 million rand. <b>(Res: Negotiation on reducing the payment Plan)</b></p> <p>He further explained that Matjhabeng Local Municipality must look into collecting what is owed to them especially from residents. He explained that the municipality could possibly end up paying Eskom less than 5 million rand per month if certain internal controls were made, such as the validation of contracts, issues of tariffs.</p> <p>He further explained that the review process would be cancelled between the municipality and Eskom and would have to settle out of court.</p> <p>Mr Maritz presented a management report to the committee highlighting that the</p>	<p>Progress to be noted on steps taken to reduce payment Plan</p> <p>Update on Review between MLM and Eskom</p> <p>Progress report : on reviewing financial</p>	<p>Progress report to be presented during the next meeting: 15\05\2019</p> <p>Update during next meeting</p> <p>As per the presentation, management should <b>report</b></p>	<p>MM &amp; or CFO (&amp; Executive management )</p> <p>MM/CFO &amp; Finance Officials MM\CFO &amp; Exec.</p>
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4.2	<p><b>Bigen Africa</b></p> <p>The chairperson welcomed Bigen Africa to the revenue enhancement committee meeting.</p> <p>It was noted that Bigen Africa had been appointed by COGTA to</p>	<p>municipality has a number of investigations and problem factors that needed to be looked into such as policies and by-laws, procedures and systems that were not being applied.</p> <p>He gave a detailed overview on the current status of the municipality's finances reporting what Matjhabeng was currently paying on a monthly basis, Eskom R 35 million rand, Sedibeng R 35 million rand, Salaries 65 million rand, Legal costs R10 million rand, running costs R15 million rand and own funded projects were about R15 million rand.</p> <p>He said that the municipality monthly expenditure was R172 million rand per month of which the municipality was only collecting 62%, which gave a shortfall of R60 million rand. He said this based on the number of wards in the municipality and the payments rates.</p> <p>In the presentation it was explained municipal councillors and staff had and accumulated amount of R13 million rand owed to the municipality.</p> <p>It was explained that data cleansing was needed in order for files to be updated.</p>	<p>management policies; Finalization of the ten By- Laws submitted to the Speaker, and review of systems and procedures</p> <p>Progress to presented in the next meeting of 15\05\2019</p>	<p><b>progress (15\05\2019)</b> in implementing below proposed solutions:</p> <ul style="list-style-type: none"> <li>✓ Data cleansing</li> <li>✓ Indigent policy to be looked into</li> <li>✓ Clearance certificates</li> <li>✓ Audit Committee must be functional</li> <li>✓ Loss of documentation must be looked into.</li> <li>✓ Traffic fines</li> <li>✓ Building controls</li> <li>✓ Review of lease agreements</li> <li>✓ Advertising</li> <li>✓ Pounding of animals</li> </ul> <p>Progress or position taken on systems to be considered for income section:</p> <ul style="list-style-type: none"> <li>- Geo-tagging</li> </ul>	<p>Managemnt</p> <p>MM\CFO Exec. Mnagement</p>
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4.3	<p>assist the municipality.</p> <p>Bigen Africa explained that the income section needed to be assisted and that the municipality must should look into geo-tagging, a system used through google maps in order to be able to manage and control its systems.</p> <p><b>Data Mule</b></p> <p>The chairperson welcomed Data Mule to the revenue enhancement committee meeting.</p> <p>.</p>	<p>Issues of electricity were raised and how electricity meters were not properly sealed.</p> <p>Res: That the presentation made by Bigen Africa <b>BE NOTED.</b></p> <p>That the inputs made be further <b>LOOKED INTO</b> by the Executive Management</p> <p>Cllr Styger raised the issue of how to source people correct details due to the fact that residents are not receiving their accounts and the possibility that the municipality could be sending them to the incorrect account holders.</p> <p>The Municipal manger explained that Data Mule would have work hand in hand with BCX in order for the systems to work</p> <p>RES: The presentation be noted and management to</p>	<p>Management to indicate the position taken on the matters raised by Data Mule in the next meeting.</p>	<p>Update report: 15\05\2019</p>	<p>MM/CFO &amp; Exec. Management</p>
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5.	<b>OUTSTANDING MATTERS ARISING FROM MEETING OF 13\03\2019</b>				
5.1	<p><b>Overview of Technical Committee Report (MM &amp; CFO)</b></p> <p><b>Finance Reports:</b></p> <p>(Updated Reports to be presented in next meeting of 13\03) in relation to the following:</p> <p><b>Revenue Collected: From January 19 to February 19</b></p> <ul style="list-style-type: none"> <li>a) Government</li> <li>b) Residential</li> <li>c) Business &amp; Industrial</li> <li>d) Schools</li> <li>e) Mines</li> <li>f) Municipal</li> <li>g) Housing Rental Stock</li> <li>h) Vacant Stands:</li> <li>i) Churches</li> <li>j) Clini</li> <li>k) Sundries</li> <li>l) Agriculture</li> <li>m) Tikwe lodge;</li> <li>n) La Rivera</li> <li>o) Fairview Projects</li> </ul>	<p>5.1(a) <b>Finance:</b> Steps taken to ensure that Section 71 reports reflect collection rate of NOT less than 60% going forward towards new financial year 2019\20.</p> <p>b) inance and Infrastructure to have a session on reconciliation of Water and Electricity</p> <p>c) pdate and Progress report: on 60% Collection rate: Land sales of R92m; National Public Works to pay R102m to MLM; Provincial Public Works to pay R77m to MLM, and therefore there will be an additional income of R250m</p>	<p>Strategies remain in place to ensure that our current budget (based on collection rate of 60%) remains funded and credible</p> <p>Payments to be made on or before the end of our financial year 2018\2019, which will towards beginning of new financial year for Nation or Provincial Government Departments in March\April 2018\2019</p> <p>These properties used to be assets of the municipality which needs to be transferred from MLM to Public Works through Council resolution so that the municipality can bill</p>	<p>The report is to be presented in the next meeting of 15\05\2019</p> <p>Report progress on 15\05\19 meeting</p> <p>Special Issues to given attention:</p> <ul style="list-style-type: none"> <li>- The management to come up with the plans to capacitate the Indigents sub-section.</li> <li>- Due to additional properties that were in the Municipal Properties' Assessts which could not been billed, the municipality realised that the properties was supposed to be in the Public Works Assets register through transfer,</li> </ul>	

	<p>p)Public Works Dept. q) Van Der Walt r)RSA(Gevangenis Virginia) s)Matjhabeng Municipality v)Flamingo Lake Pty Ltd</p>		<p>them.</p> <p>Detailed progress report on installation of meters</p>	<p>hence the municipality will received a R77 million on those properties rates. In addition, there are almost 111 properties that are not part of the valuation roll which are still have to be brought in to the municipality valuation roll so that they can be billed.</p>	
5.2	<p><b>Infrastructure Reports</b></p> <p>(Mr Makofane presented the written Electricity report on behalf of Mr W Sephton.</p> <p><b>Infrastructure (Water)</b></p>	<p>5.2(a) <b>Infrastructure</b> to present Progress report on installation of Water Meters: Phomolong 5123; Mamahabane 2189; Kutloanong 2500; Nyakallong &amp; Allendridge 274 + 297; etc.</p> <p>(a) Detailed Progress report to be presented on actions taken to enhance revenue</p>	<p>Report on overall picture that reflects the impact of electricity challenges that impact negatively on our revenue collection (eg: illegal connections; handling of accounts that are in arrears)</p>	<p>Report Progress on 13\03\19 meeting in implementation of the indicated actions to be taken that will enhance MLM's Revenue Enhancement.</p>	<p>Executive Dir: Infrastructure</p>
5.3	<p><b>LED and Human Settlement</b></p>	<p>5.3(a) <b>LED&amp;HS</b> to detail Update Progress Report on: Open Land Sales Vote; on Business sales from evaluation</p>	<p>He further indicated that in terms of land use all the Gazette from 2014</p>	<p>Present Progress report on implementation and its impact to enhancing revenue.</p>	<p>Exec. Dir: LED &amp; HS</p>

5.4	IDP & Strategic Office	<p>stage(10 business sites); All gazettes that were never presented to finance since 2014; Entire state way land use resulting in a loss of R30m per given period; Completed Land use audit in relation to farms of Sedibeng and money owned to MLM; Harmony proposals not being evaluated accordingly.</p> <p>b) The negative impact of issuing of Clearance Certificates to be outline clearly in MLM's Policy position.</p> <p>c) Lease agreements in relation to Airport / Rental Stock and consideration for outsourcing of : Marriespruit; Masimong; Reahola; etc</p> <p>5.4(a) Detailed progress report in ensuring that MLM's Departments revise and review the following: Consolidation of IDP and SDBIP that went to council as part of Section 72 in January 2019; The implications of MLM's Performance standing at 39%.</p> <p>b) Realignment of Programmes within SDBIP which do not have targets.</p>	<p>was never sent to finance to be billed properly. He indicated that the Airport yield no income and already <b>R4 000 000.00</b> has been spent for the renovations. Masimong and Merriespruit billing – R2 million Hostels billing – R63 million.</p> <p>Progress report on alignment of IDP and SDBIP</p>	<p>- <b>Finalization of MLM's Master Plan</b>, which its non-finalization retards MLM with a potential revenue <b>of R450m</b>. The need to have SDF also finalised.</p> <p>-</p> <p>Present new reviewed targets as per MLM's Executive Management</p>	<p>Executive Dir: IDP &amp; Strategic Management</p>
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5.5	Community Services and Public Safety	<p>c) Review of departmental targets that are over-targetted</p> <p>5.5(a) CS &amp; PS to outline their planned activities that will enhance MLM's Revenue.</p> <p>b) Interaction to take place between LED/HS and CS/PS in analysing Landfill results</p>	Report on support given to CS\PS on analyzing landfill sites	Present Progress Report	Executive Dir. Com. Serv & Safety
5.6	Corporate Services (Director 's apology was noted for being unavailable)	<p>5.6(a) Presentation of Corp./ Serv report in enhancing revenue in MLM:</p> <p>b) Strategies put in place to manage: Overtime; Acting Allowances.</p> <p>c) Report on meeting of all departments (Fin; Infrastructure; LED&amp;HS; CS&amp;PS; IDP\SDBIP; Corp. Serv to lead)'s meeting and develop Work Plan to reduce Overtime and keep it below R25m.</p> <p>d) Update report on MLM's Ghost Workers / Motor Vehicle Scheme: The matter be brought to the attention of the Municipal Manager and re-submitted in the next REC meeting / <b>Head Count</b> took place in all units of Matjhabeng municipality on the said date and the report was submitted, the extreme verification need to be done to better the</p>	Present Progress Reports by 15\05\2019	Present Progress Report and its impact: Ghost Workers: The report be referred back to the Technical Committee and re-submitted in the next rec meeting (13\03) verifying the following; financial	Exec. Dir: Corp. serv



6	<p><b>UPDATE ON TOP 20 DEBTORS</b></p> <p>The Chairperson requested the CFO and the Management to come up with the strategies on how the Top 20 Debtors list can be reduced, and as well to strategize on how the residents must pay their services.</p> <p>Ongoing to Progress</p>	<p>accuracy of the Head Count c) Implications and Council resolution.</p> <p>Progress Report on reduction of Debtors</p> <p>1. Detailed report be submitted in all Rental stock, Municipal Properties, Facilities, Community sites, Airport, Building Control, land audit, Masimong, Merriespruit and the Hostels be submitted after three days of the REC meeting. 2. That item on extension of Airport renovations be developed and be submitted to Council for Approval.</p>		<p><b>PRIORITIZED PROGRESS</b> Ongoing resolve on the remaining Top 20: a)Anglo Gold Ashanti b) Aztoprox Pty Ltd c) Erf 1210 welkom investments Pty Ltd d) Northern Free State Adult care Centre e) Pittas f) Boys Scouts g) Tiger Consumer Brands Ltd T/A Tigermilling h) Matjhabeng Local Municipality i) Welkom Landbougenootskap j) and Trust; k) Ph Deas; Ha Steyn l) Mokgwabong Primary School; m) Me Amajuba lodge (estate Late); n) Phindana Properties o) Thanks Trading 4 PTY LTD; p) Reahola Housing Association; q) Foundation for future Leaders;</p>	
7.	<p><b>CLOSURE</b></p> <p>The Chairperson, Cllr Dr Siphon Manese thanked everyone for attending and participating in the meeting.</p> <p>The Chairperson officially closed the meeting at 12h45 pm.</p>	<p>Re- emphasised Matters</p> <p>1. That <b>Comprehensive report be submitted three days before REC meeting.</b> 2. That the Rate Payers Association and the Business Forum Leaders be invited to the REC meeting of the (15\05\2019). 3. <b><u>Executive Management should prepare reports that respond to issues</u></b></p>	<p><b><u>MM to also ensure that these reports are prepared as indicated in the RED</u></b></p>	<p>Meeting to be arranged to meet Presidents of <b>Rate Payers Association and Business Forum Leader</b></p> <p><b>Note that this meeting still needs to be arranged as per our resolution</b></p>	MM/CFO

	<b>DATE OF THE NEXT MEETING: 15\05\2019</b>	<u>on our minutes rather presenting general reports from their departments</u>			
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