

AMEU STANDING COMMITTEE MEETING

11 NOVEMBER 2014
16H00-18H00

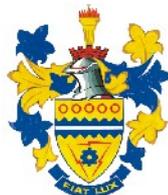
to continue on

12 NOVEMBER 2014
08H00-10H00

KNYSNA HOLLOW COUNTRY ESTATE
KNYSNA

ASSOCIATION OF MUNICIPAL ELECTRICITY UTILITIES

(SOUTHERN AFRICA)



STANDING COMMITTEE

AGENDA

DATE: 11 November 2014

TIME: 16h00-18h00 to continue at 08h00 on
12 November 2014

VENUE: Knysna

COMMITTEE MEMBERS

Mr	S Xulu	President	City Power	To attend
Mr	M Tshabalala	President Elect	Emfuleni	To attend
Ms	R Mokgosi	Vice President Elect	City of Tshwane	To attend
Mr	H Roos	Imm Past President	Ekurhuleni	To attend
Mr	SM Maphumulo	Past President	eThekwini	To attend
Clr	V Chiloane	Councilor	Ekurhuleni	Apology
Clr	N Thulo	Councilor	Emfuleni	To attend
Clr	M Mfikoe	Councilor	City of Johannesburg	Apology
Clr	W Mapena	Councilor	eThekwini	To attend
Ms	S Gourrah	Affiliates Chairperson	Affiliates	Apology
Mr	M Clarke	Publicity Secretary	AMEU	Apology
Mr	PE Fowles	Strategic Advisor	AMEU	To attend
Mr	JP Venter	General Secretary	AMEU	To attend

1. WELCOME AND APOLOGIES

2. READING AND CONFIRMATION OF AGENDA AND ADDITIONAL ITEMS

3. READING AND CONFIRMATION OF THE PREVIOUS MINUTES

The minutes of the Standing Committee meeting held on 18 June 2014.

APPENDIX A

4. NEW MANDATE OF THE STANDING COMMITTEE

APPENDIX B

5. SECRETARIAT REPORT

6. FINANCIAL STATEMENTS

- Financial report

APPENDIX C

-
- Budget
 - Branch accounting
 - Funding of branch secretaries

7. AFFILIATE MATTERS

8. LOBBY WORK AND STAKEHOLDER COMMUNICATION

9. PETER FOWLES: SABBATICAL AND CONTRACT

10. CONVENTION 2015

11. BRANCH OPERATING GUIDELINES

APPENDIX D

12. ADDITIONAL ITEMS

- _____
- _____
- _____

13. DATE OF THE NEXT MEETING

11 February 2015

14. CLOSURE

ASSOCIATION OF MUNICIPAL ELECTRICITY UTILITIES
(SOUTHERN AFRICA)**STANDING COMMITTEE****MINUTES****DATE:** 18 June 2014**TIME:** 08:00-10:00**VENUE:** Port Edward**COMMITTEE MEMBERS**

Mr	H Roos	President	Ekurhuleni	Present
Mr	S Xulu	President Elect	City Power	Present
Mr	M Tshabalala	Vice President Elect	Emfuleni	Present
Mr	M Rhode	Imm Past President	Knysna	Apology
Mr	SM Maphumulo	Past President	eThekwini	Present
Clr	V Chiloane	Councilor	Ekurhuleni	Apology
Clr	N Thulo	Councilor	Emfuleni	Apology
Ms	K Dare	Affiliates Chairperson	EE Publishers	Apology
Mr	M Clarke	Publicity Secretary	AMEU	Apology
Mr	PE Fowles	Strategic Advisor	AMEU	Present
Mr	JP Venter	General Secretary	AMEU	Present

1. WELCOME AND APOLOGIES

The president welcomed members and noted the above apologies.

2. READING AND CONFIRMATION OF MINUTES

The committee confirmed the minutes of the meeting that was held on 13 November 2013.

3. REPORT ON THE SECRETARIAT

The secretary advised that the secretariat currently has around twenty five staff of which about twenty are fulltime employees. New clients include the Consultative Stakeholders Movement and the Manufacturers Circle. The manufacturer circle is a lobby organisation for the largest manufacturing companies in South Africa. The office is also assisting with the establishment of a national solar energy co-operative to help consolidate the solar water heater industry currently consisting of a large number of very small companies, to aid localisation and marketing of solar energy options to the general public.

The office has developed some very advanced information technology systems in the past few years to serve the needs of its association clients. It is, however, evident that the nature of associations and the behaviour of members are changing over time and the office has implemented a platform to offer webinars on specialised subjects. We hope that virtual meetings will make it possible for more members to participate in association content.

The effectiveness of email as a communication medium is diminishing and the office is currently testing the use of an enterprise level social networking system that we are hoping will in future provide our committees, branches and other membership groups with a more effective way of conducting their business. We think such a platform will at least make it much easier to organise meetings and interact with members in a two-way sort of way.

The secretary has met with affiliate members of SARPA, which was beneficial from the perspective of hearing their intentions as well as frustrations. A meeting with the affiliate members of PIESA is also envisaged in the near future to better engage their affiliates in activities of the association.

An agreement has been signed with City Power for the sponsorship of the 2014 and 2015 conventions. City of Johannesburg still needs to sign this agreement. Our staff is closely co-ordinating the various stakeholders involved in staging the 2014 and 2015 conventions and we are particularly pleased with the amount of sponsorship that affiliate members are providing. On the membership front, around half of the members have paid their fees so far this year and about two thirds of the affiliates. We should see an upsurge in payments as the new budget year begins for municipalities.

4. GOVERNANCE WORKSHOP

The secretary, as requested by the council, tabled a number of recommendations flowing from the governance workshop that was held late in 2013. The matter of how to account for branch transactions was discussed in some detail.

AGREED to table the recommendations drafted by the secretary at the next council meeting and that the secretary would include more details on the actual workflow involved with the branch accounting proposal into the document to be tabled.

[General Secretary/Cindy Maree]

5. FINANCIAL STATEMENTS AND MEMBERSHIP

The committee **NOTED** year to date management statements on a cash basis and **ADOPTED** the audited annual financial statements for the year ended December 2013, as tabled by the general secretary. The committee thanked the City of Johannesburg for the support pledged for the 2014 and 2015 conventions. The 2014 convention attendance fees was considered.

AGREED

- a. To increase the convention attendance fees by 8% and to implement a new fee for the affiliate's exhibition attendants that are cost reflective.
- b. To include a page on the financial affairs of the association into the presidential address at the convention.

[General Secretary/Melindi Snyman]

6. AFFILIATE MATTERS

The secretary quoted a report provided by the chairman of the affiliates confirming details of the most recent affiliates meeting held. The meeting noted that the affiliates committee will now amend its rules to provide for payment of the S&T costs for their chairman if the chairman's company cannot carry costs to attend meetings of the executive council. The president advised that he has met with Mr Yelland on his views on the affiliates organisational processes.

7. LOBBY WORK AND STAKEHOLDER RELATIONS

Mr Fowles advised that SALGA has issued a letter supporting the AMEU which members can use as a support document when applying for funding and permission to participate in AMEU events. He also advised of attendance to a SALGA sponsored meeting with the SIP 10 project office as well as a SALGA event where the president elect presented an AMEU position paper on licencing and service level agreements with Eskom for their distribution commitments. The AMEU position paper was very well received by SALGA and other stakeholders present.

8. CONVENTION 2014

Members were advised that the convention organising committee meets on a regular basis and that all deposits have been paid. The programme will be confirmed by the upcoming papers committee meeting and a satisfactory crop of papers were received. The president elect committed to invite keynote speakers.

9. HONORARY MEMBERSHIP

The committee considered honorary membership proposals and **AGREED** to recommend to the convention that the following persons be granted honorary membership status:

Mr Joseph Renney (Good Hope Branch)
Mr Neil Ballantyne (Good Hope Branch)
Mr Pierre van den Heever (Bushveld Branch)

[General Secretary/Melindi Snyman]

10. OTHER MATTERS

The president elect advised of a proposal by a commercial company to produce a benchmarking study on electricity revenue losses in South Africa.

AGREED

- a. To support such a benchmarking study by encouraging members to participate provided that it is made clear that utility participation is voluntary, that there are no costs associated with this and that participants and the AMEU will get copies of the study. The company to be encouraged to also include indications of best practices emerging from the study.
- b. The secretary to co-opt suitable senior members to propose the nominees to the convention.

[President Elect / Melindi Snyman]

11. POWER INSTITUTE OF EAST AND SOUTHERN AFRICA

Members noted that Eskom has for some years now paid the membership fees of PIESA for South Africa as a whole and that included into this was provision for the AMEU to serve on their board. Eskom is however reducing their financial contribution to PIESA. Members noted these matters but suggested that PIESA will need to suggest a way forward.

12. INTERNATIONAL CONFERENCE

The committee confirmed the tradition of the association to afford each president the opportunity to attend one international conference and that the current president is requesting guidance on the sponsorship level that the AMEU can make available for this.

AGREED to sponsor the current president with the amount not exceeding R40 000 to attend an international convention of his choice.

[Adrie da Silva]

13. LEAVE FOR MR FOWLES

Mr Fowles advised of his intention to take a three month sabbatical later this year or next year and that his contract with the AMEU has technically come to an end. The meeting noted the request for long leave from Mr Fowles and **AGREED** that the contract needed to be updated after the matter has been caucused by the executive council.

[President / General Secretary/Cindy Maree]

14. DATE OF THE NEXT MEETING

12 November 2014

15. CLOSURE

The president then thanked members and closed the meeting.

Thus read and confirmed:

CHAIRPERSON

DATE

STANDING COMMITTEE DELEGATIONS

To delegate to the standing committee the following responsibilities:

- a. To produce an annual budget for the association to be tabled at the last executive council meeting of each year for approval for the following year.
- b. To authorise financial transactions and contracts of the association that are outside of the budgeted or authorised projects of the association.
- c. To oversee the financial position of the association with specific focus on:
 - Sustainability
 - Risk management
- d. To oversee internal processes of the association, allowing the executive council to focus on management of the industry.
- e. To oversee the delegations of the general secretary.



Financial Report
Association of Municipal Electricity Utilities
31 October 2014

Income and Expenditure Statement for the period ended 31 October 2014

	2013	2014		2015
	Actual	YTD	2014 Forecast	Budget
Income				
Events Income - Nett	1 368 373	2 032 075	2 582 140	3 000 000
Interest Received	87 342	35 871	80 000	120 000
Membership Dues	1 164 819	1 265 356	1 243 000	1 300 000
Other - Appreciation of Investment	0	1 082 267	0	0
Other - Newsletter	152 500	92 562	140 000	150 000
Unallocated	2 372	209 509		
Total Income	2 775 406	4 717 640	4 045 140	4 570 000
Expenditure				
Audit Fees	-26 000	0	-28 000	-30 000
Bank Charges	-10 928	-17 622	-20 000	-10 000
Branch Expenses	0	0	-10 000	-20 000
Previous Year Conference Costs - VAT	0	0	0	0
General Secretariat	-670 000	-596 523	-715 828	-772 000
Insurance	-17 001	-15 250	-18 300	-20 000
Interest Paid	-139	0		0
Internet & Email Services	-87 160	-73 022	-78 000	-85 000
Marketing	-1 215	0	0	-30 000
Newsletter Costs	-194 356	-109 337	-205 000	-220 000
Office Equipment Rental	-30 000	-25 000	-30 000	-33 000
Office Rent	-80 003	-73 333	-88 000	-96 000
Postage & Telephone	-23 025	-22 985	-24 000	-22 000
Publicity Secretariat	-265 752	-232 377	-278 852	-300 000
Stationery & Printing	-13 661	-8 540	-15 000	-16 000
S & T	-524 285	-458 861	-540 000	-560 000
Strategic Advisor	-790 520	-694 502	-833 402	-899 000
Subscriptions Paid - Sanea	0	-1 825	-3 300	
Total Expenditure	-2 734 045	-2 329 177	-2 887 682	-3 113 000
Surplus for the period				
Retained Surplus	41 361	2 388 463	1 157 458	1 457 000
Retained Surplus	2 866 121	2 907 482	2 907 482	5 295 945
	2 907 482	5 295 945	4 064 940	6 752 945

Assets and Liabilities as at 31 October 2014

	Actual 2013	Actual 2014
Assets		
ABSA Call and Money Market Account	1 632 680	3 814 726
Debtors and Venue Deposit	588 086	708 729
Investments - Fedbond	321 000	321 000
Investments - Fensure	371 965	0
Presidential Chain	2	2
	2 913 733	4 844 457
Liabilities and Equity		
Creditors	-414 681	0
VAT Control	408 414	451 488
	2 907 466	5 295 945



Notes to the Financial Report
Association of Municipal Electricity Utilities
31 October 2014

Internet & Email Services

Secretariat	66 870
Peter Fowles	4 880
Max Clarke	1 272
	<u>73 022</u>

Newsletter Costs

SE Color	13 995
Monty Print	40 290
Print Design	27 750
Prestige Bulk Mailers	27 302
	<u>109 337</u>

S & T

Secretariat	50 724
Peter Fowles	208 113
Hannes Roos	40 000
Deon Louw	0
Max Clarke	0
Meeting & Venue	160 024
PIESA Travel Costs	0
	<u>458 861</u>

Secretariat

Retainer	596 523
Insurance	15 250
Internet & Email	66 870
Office Equipment Rent	25 000
Office Rent	73 333
Postage & Telephone	17 726
S & T	50 724
Stationery & Printing	8 540
	<u>853 966</u>

Strategic Advisor

Salary	694 502
Internet & Email	4 880
Telephone	5 259
Stationery & Printing	0
Travel	208 113
	<u>912 754</u>

Publicity Secretariat

Salary	232 377
Internet	1 272
S & T	0
	<u>233 649</u>

Branch Account Balances

Kwazulu Natal	9 626
Highveld	6 603
Good Hope	36 461
Free State	2 935
Eastern Cape	30 668
Bushveld	4 698

Convention

Delegates Invoiced

690

Registration Fees Invoiced

2 374 301 2 108 000

Registration Fees Received

1 395 059

Registration Fees Due

979 242

Affiliate Registration Refund

0 -95 000

Sponsorship Invoiced

4 471 930 4 472 000

Sponsorship Received

4 384 211

Sponsorship Due

87 719

Total Income

6 846 231 6 485 000

Expenditure

3 747 195 3 902 860

Ladies Day

30 721 65 000

Exhibition

282 688 277 000

Gala Dinner

324 221 341 000

Venue Deposit

2 548 870 2 315 860

Marketing and Printing

392 848 340 000

Audio Visual

464 414 547 000

Awards and Prizes

23 201 17 000

Affiliate Events

-319 767 0

Convention Profit

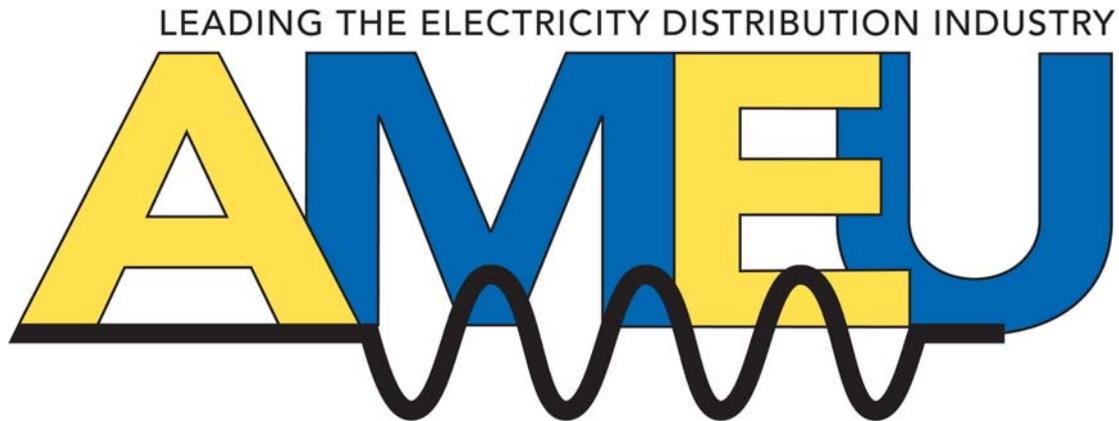
3 099 035 2 582 140

Cashflow Statement

Opening Cash Balance Jan 2014	1 632 680
Deficit/Profit per income statement	2 388 463
Decrease in Creditors	-414 681
Decrease in Debtors	-120 643
Increase in VAT Control	-43 074
Closing cash balance Sept 2014	<u>3 442 745</u>

We confirm that the values reflected are in agreement with the bank records at our disposal.

JEAN VENTER – VdW&Co
Professional Accountant SA Pr:3348



AMEU BRANCH MEETINGS Operating Guidelines

6 November 2014

Objective of meetings

The objective of AMEU Branch meetings is to facilitate and encourage members of the Association to meet regularly in order to be updated and discuss issues and opinions on matters pertaining to the electricity distribution and supply Industries, operational matters affecting members of the AMEU and technical issues relating to the environment. These activities are in support of section 5.2 of the AMEU Constitution (May 2013) which states the organization's objective as being:

“to bring together council or board representatives, electrical engineers and managers and all persons interested in the advancement and development of electricity utilities and to promote wider contact and the exchange of views”

Attendance

Attendance by municipal engineers and their staff, together with representatives of local Eskom regions, NERSA, local and provincial governments and representatives of affiliate companies is encouraged.

The AMEU President and President-Elect will be encouraged to attend at least one meeting of each Branch during their terms of office.

At least one of the elected Branch members serving on the AMEU Executive Committee should attend every Branch meeting to report back to their members on the activities of the Executive Council and its constituted committees.

The nominated Affiliate representative for each established AMEU Branch should attend the local Branch meetings accompanied by a member of the national Affiliate Committee to report to the Branch on affiliate affairs.

Frequency of meetings

The AMEU Constitution allows each constituted Branch to '*... draft its own rules of procedure,*' [section 24.2] which thus allows the Branch members to determine the frequency of its meetings.

Each Branch will however convene at least one meeting per calendar year, which meeting should thus constitute the Branch AGM.

In order to attempt to avoid a clash of meeting dates, the AMEU Secretariat will prepare an annual Branch and Committee meeting schedule for the subsequent calendar year which will be circulated to Branch and Affiliate Committee office bearers for comment prior to discussion and finalisation at the AMEU Executive Council meeting held after the Annual Convention. Amendments requested will be effected and the schedule posted to the AMEU website with a proviso that '*Meeting dates and venues are subject to change*'.

Organisation of Branch meetings

The responsibility for the organisation of Branch meetings rests with the elected Branch Chairman [or Vice-Chair in his/her absence] and the Branch Secretary, in liaison with the nominated Branch Affiliate Representative.

The organisation of Branch meetings includes, inter-alia:

- The selection and booking of the meeting venue;
- Arrangement of an appropriate meeting programme;
- The identification of details of suitable accommodation for delegates who may wish to make such arrangements at their own expense;
- Preparation and distribution of meeting notices and relevant detail;
- Preparation of a budget to include the costs for the meeting venue, refreshments and any social functions that may be deemed desirable;
- Raising of adequate sponsored funding to cover all of the estimated meeting costs.

On order to attempt to encourage a high level of attendance at Branch meetings, it is recommended that the relevant notices and information are sent to members at least one month before the relevant meeting date via the AMEU Secretariat electronic distribution system, as well as by the local Branch Secretariat to its membership database. This process should be repeated with reminder messages and meeting agendas and programme in the weeks before the meeting. All notices, minutes and agendas should be posted to the AMEU website.

A number of AMEU Branch meetings are held in conjunction with meetings of the Southern African Revenue Protection Association [SARPA], due to strong links between the two organizations relating to electricity matters and to reduce traveling time and expense for some AMEU Branch members who are members of both associations. The AMEU Branch Chairman, Secretary and Affiliate representative should satisfy themselves that the SARPA meeting arrangements are complementary to their own and agree on possible contributions from SARPA towards the cost of the venue and/or refreshments.

Format of meetings

The format of its meetings is a Branch prerogative but the following model has been found to be very successful in some areas and may be modified to meet the Branch requirements:

- **Day 1**

09h00	SARPA Branch meeting [subject to agreement at local level]
13h00	Lunch – light finger lunch
14h00	AMEU Meeting
19h00	AMEU Social function

- **Day 2**

08h30	AMEU Meeting
13h00	Lunch – light finger lunch

Accommodation arrangements

The Branch Secretary is requested to provide details of reasonably priced accommodation in the area of the meeting venue together with the notice of the relevant meeting.

It is the responsibility of each delegate attending the meeting to select and pay for his/her accommodation while attending Branch meetings, including breakfast and occasional drinks.

Social Function

The organisation of a function conducive to networking amongst the meeting delegates is encouraged with the cost of this function included in the budget for the meeting.

Neither the AMEU Secretariat nor members of the AMEU Executive Committee or the national Affiliate Committee will provide any assistance in the organisation of these functions.

Funding of Branch meeting costs

- **Branch Accounting**

(Resolution of the AMEU Executive Council at its meeting held on 9 October 2014)

Individual branch bank accounts are to be closed (Namibia Branch excepted) and the balances to be transferred to the individual ledger accounts for each branch within the national AMEU financial system.

Branch sponsorships to be formally invoiced from the national secretariat and payments be received into the national bank account of the AMEU, with a ledger balance sheet account being held for each of the branches, reflecting incoming and outgoing transactions.

- **Branch operating procedure:**

- (a) When a sponsor is secured by a branch official, a request will be placed at the call centre at the secretariat to generate an invoice to the sponsor. The invoice will show the main AMEU bank account and will reflect value added tax.
- (b) Sponsor deposits to the main AMEU bank account be posted to the respective branch accounts in the ledger and will be cleared against the invoice that was issued to the sponsor.
- (c) At the end of the month the sponsor will get a statement of open invoices including any branch sponsor invoices attached.
- (d) Payments of branch expenses will be requested on the head office accountant as is currently the practice, and such payments will be done from the main AMEU bank account. The payments will be posted to the ledger account of the relevant branch.

- (e) Branches can request a copy of their branch accounts from the head office accountant as is currently the practice. The account will however be a ledger account copy rather than a bank account copy.
- (f) Branches can use a copy of the branch ledger account for internal governance purposes.
- (g) This process will also consolidate all transactions into the audited books of the association.
- (h) Value added tax for branch transactions will be processed and settled with the receiver of revenue together with the rest of the AMEU transactions every two months.

- **Fund Raising**

It is recommended that one or more of the following options be utilized for raising the necessary funding to meet Branch meeting expenses:

- Sponsorship of the venue and/or refreshments costs by the host municipality (no invoicing involved);
- Presentation (15 to 20 minutes) and/or exhibition fees by Affiliate Members and non-Affiliate companies (minimum - higher fees may be negotiated:
 - Presentation: affiliate member R2000
 - Presentation: non-affiliate company R4000
- Sponsorship of costs by Affiliate members;
- Available credit balances in Branch ledger accounts

Payment of a presentation/exhibition fee will entitle the sponsoring company to exhibit their product and publicity material taking into account the available exhibition space at the venue. Invoices will be presented to the participating companies/sponsors and payment is due on presentation of the relevant invoice

NOTE: Should sponsors make contributions to the meeting costs based on an agreement that they will be included on the agenda to deliver a presentation, Branch meeting Chairs are requested to ensure that adequate time is allowed for these presentations.

Assistance to AMEU Engineer Members to attend Branch meetings

Understanding the objective of convening AMEU Branch meetings as detailed above, a high level of attendance at these meetings is deemed to be in the interests of all members.

Although overall attendance figures at Branch meetings in some regions has been increasing over the last few years, a concerning trend in a number of

Branches has seen a decline in the number of municipal representatives attending Branch meetings. In many instances, this development has been attributed to the financial situation of the relevant municipality resulting in restrictions on travel and subsistence expenditure.

One AMEU Branch has introduced a system of utilizing meeting sponsorship funding to assist some of those municipal representatives, whose municipalities are not able or willing to provide financial support, to attend the Branch meeting.

It is recommended that other AMEU Branches introduce a similar system which is characterized by:

- Venues selected that charge delegates a single fee which covers the accommodation, meal and conference (meeting) venue costs;
- The venue must include all the relevant pens paper water and teas in the delegate charge;
- Allocate some or all of the sponsorship funding towards paying the venue (accommodation included) cost and the travel mileage (at reasonable rates) of the municipal representative(s) agreeing to attend the meeting:
 - The process and decision to fund these costs of the identified municipal delegate is taken by the Branch office bearers in order to distance the transaction from any Affiliate or non-Affiliate sponsoring company.
 - The relevant payment of the costs of the supported municipal delegate(s) is to be effected by the AMEU head office accountant, as described in the Branch operating procedure above.
- Addressing a letter to all municipalities within the province, providing background to the AMEU and inviting them to become members of the organisation;
- All affiliates are encourage to have copies of the letter with them when they visit Municipalities and to leave a copy with the Municipal engineer.

.....*****END*****