

CITY OF JOONDALUP

MINUTES OF STRATEGIC FINANCIAL MANAGEMENT COMMITTEE MEETING HELD IN CONFERENCE ROOM 1, JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP ON TUESDAY 4 JULY 2006

ATTENDANCE

Committee members:

Cr R Fishwick	- Deputy Presiding Person	South Ward
Mayor T Pickard		
Cr T McLean		North Ward
Cr S Magyar	- From 1704 hrs	North-Central Ward
Cr J Park		Central Ward
Cr B Corr		South-East Ward

Observer:

Cr S Hart	In attendance from 1722 to 1723 hrs	South-East Ward
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Officers:

Chief Executive Officer	G HUNT	
Acting Director, Planning and Community Development:	I COWIE	
Director, Corporate Services:	M TIDY	
Director, Infrastructure Services:	D DJULBIC	
Acting Director, Governance & Strategy:	M SMITH	
Manager Financial Services:	S HAFEZ	from 1637 hrs
Committee Clerk:	J HARRISON	

DECLARATION OF OPENING

The Deputy Presiding Person declared the meeting open at 1635 hrs.

APOLOGIES/LEAVE OF ABSENCE

Apology for late attendance – Cr S Magyar.

Leave of absence previously approved:

Cr M John - 4 July 2006 to 28 July 2006 inclusive.
Cr A Jacob - 3 July 2006 to 14 July 2006 inclusive.

CONFIRMATION OF MINUTES**MINUTES OF THE STRATEGIC FINANCIAL MANAGEMENT COMMITTEE HELD 20 JUNE 2006**

MOVED Mayor Pickard **SECONDED** Cr Corr that the minutes of the meeting of the Strategic Financial Management Committee held on 20 June 2006 be confirmed as a true and correct record.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Mayor Pickard, Crs Fishwick, McLean, Park and Corr.

ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION

Nil.

DECLARATIONS OF INTEREST

Nil.

IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY SIT BEHIND CLOSED DOORS

Nil.

PETITIONS AND DEPUTATIONS

Nil.

REPORTS**ITEM 1 STRATEGIC FINANCIAL MANAGEMENT COMMITTEE
PROGRAMME FOR 2006/2007 – [51567]**

WARD: All

RESPONSIBLE Mike Tidy
DIRECTOR: Corporate Services

PURPOSE

The purpose of this report is for the Strategic Financial Management Committee (the Committee) to consider a programme of issues and matters that it would like to examine over the next few months.

EXECUTIVE SUMMARY

It is intended that the Committee identifies and determines a list of those issues and matters that it wishes to address over the coming months and further for the balance of the 2006/2007 financial year.

BACKGROUND

At its first meeting on 20 June 2006, following the election of the new Council, the Committee resolved in relation to the setting of meeting dates to meet on a monthly basis in July, August and September 2006 and then subsequently to review the frequency and timing of meetings.

It was intended that the Committee meets on a monthly basis so that it could quickly come to terms with those matters that it wanted to examine/address and effectively establish a programme for the 2006/2007 financial year.

DETAILS

Issues and options considered:

It is intended that this session be a discussion session about those issues that the Committee members feel that this Committee should be looking at and to give some consideration to those that they believe are quick hits and for which they simply want reports and responses, as opposed to those issues that may require further research and more philosophical discussion.

Some potential seed issues that the Committee may wish to consider are -

1 Alternative Revenue Streams

While the City of Joondalup is large and has a significant total revenue it is very much dependent on rates, accounting for almost 64% of its revenues and government grants accounting for a further 10%. As the City approaches maturity in terms of residential development, the natural growth component from new residential development will drop away significantly and unless there are other significant revenue streams it will be harder for Council to maintain revenue levels to meet the demands for services, facilities and capital works if it all has to be funded from rate increases.

2 Asset Management

While the City of Joondalup is regarded as a relatively new City with relatively new infrastructure, much of that perception derives from the northern half of the City. At the southern end of the City the infrastructure is now well aged. The management of the City's assets is going to become a significant issue from a refurbishment and maintenance point of view as it continues to age. The City also needs to ensure that it is getting value from the assets that it holds and as the demographics of communities change there will be potential opportunities for changing the nature of the facilities provided, consolidation etc. There needs to be a balance between community desires and economic utilisation.

3 Property Portfolio

The City has a property portfolio and as a subset of asset management the property portfolio needs to be managed to extract the maximum benefit. There needs to be a clear understanding of what property the City holds -

- for community benefit or purpose
- as an income or revenue stream, and
- as perhaps an investment that is flagged for realisation for future purpose

In the latter case it is critical that assets that are held for investment when realised are ploughed back into other assets, whether community or for income purposes and that investment property is not realised to subsidise operations.

4 Strategic Financial Management Plan (Plan for the Future)

Council has just adopted a Strategic Financial Plan, which has identified some significant funding issues and difficulties that will arise in a few years' time. The plan does not identify how these issues will be addressed and this is something that the Committee needs to focus on. In addition to this, in the 2006/2007 year, there will be a new Strategic Plan developed for the City and it is essential that the next version of the Strategic Financial Plan is aligned to the new Strategic Plan.

Link to Strategic Plan:

Key Focus Area 3 - City Development 3.1.4

Key Focus Area 4 - Organisational Development 4.1.1

Legislation – Statutory Provisions:

Not applicable.

Risk Management considerations:

Not applicable.

Financial/Budget Implications:

While there are no immediate implications for the 2006/2007 budget, the role that this Committee fulfils and the issues it addresses will have significant input into future financial planning, strategic planning and subsequently the annual budgets for future financial years.

Policy implications:

Not applicable.

Regional Significance:

Not applicable.

Sustainability implications:

Financial sustainability is absolutely critical to the future growth and development of the City of Joondalup. As per the comments referred to in the Financial/Budget Implications, the issues that need to be addressed will have significant implications for future financial planning, strategic planning and subsequently annual budgets.

Consultation:

Not applicable.

COMMENT

The list referred to above is a seed list for thoughts and comments about what the Committee may want to examine, firstly over the next few months and then subsequently for the balance of the 2006/2007 financial year. Committee members are encouraged to identify and put forward issues that they believe should be addressed by this Committee.

ATTACHMENTS

Nil

VOTING REQUIREMENTS

Simple majority.

OFFICER'S RECOMMENDATION

To be determined at the Committee meeting.

The Chief Executive Officer asked the Committee members to give an indication of the key issues they consider require to be addressed by the Strategic Financial Management Committee, to enable such matters to be researched and reported back to the Committee.

Discussion ensued, with the following key points being raised:

- Following the development of Burns Beach, any significant rate growth can only be achieved from infill or development in the Joondalup CBD.
- The Asset Register shows the land that is owned or vested in the City of Joondalup. There is a need to agree why land is being held and what development is required. There is only a limited amount that could be sold, and these are mainly strategic sites that the community would like to see used for Reserves. Land in Ocean Reef has high development potential.
- Discussion took place on the potential for development within the CBD and the need to attract key organisations, from both the government and private sectors. Information was requested to be provided on potential development for the CBD, outlining issues such as height and parking.

Cr Magyar entered the Room at 1704 hrs.

- It was considered that paid parking might be acceptable to residents.
- It was believed that the City should promote its identity.
- It was requested that officers give some thought to potential for development within the City and report back with options for determination by the Committee.
- Examples will be provided to the next meeting of facilities and attractions that currently exist in the City.

Cr Hart entered the Room at 1722 hrs and left at 1723 hrs.

- Information was requested on the current utilisation of assets.
- A comment was raised that tree retention should be encouraged in developments.

MOVED Mayor Pickard SECONDED Cr Park that it be recommended that Council requests a further report be submitted to the next meeting of the Strategic Financial Management Committee on:

- 1 options and potential role of the City in the development of the Joondalup Central Business District;**
- 2 a framework and work plan for:**
 - **Alternative Revenue Streams;**
 - **Asset Management;**
 - **Portfolio;**
 - **Expenditure;**
 - **Strategic Financial Management Plan (Plan for the Future).**

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Mayor Pickard, Crs Fishwick, McLean, Magyar, Park and Corr.

Discussion continued, with the following key points being raised:

- It was requested that when a decision is made about the shape of Joondalup, a model should be made showing how the City will look.
- A briefing paper will be provided to Elected Members on paid parking.
- It is anticipated a report on the Mindarie Regional Council Resource Recovery Facility Project tender process will be presented to the Strategic Financial Management Committee.

To assist attendance by Committee members, it was requested that the next meeting not be held in four weeks' time. A suitable date will be determined.

MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION

Nil.

CLOSURE

There being no further business, the Deputy Presiding Person declared the Meeting closed at 1752 hrs; the following Elected members being present at that time:

Cr R Fishwick
Mayor T Pickard
Cr T McLean
Cr S Magyar
Cr J Park
Cr B Corr