

MINUTES

Strategic Financial Management Committee

MINUTES OF THE STRATEGIC FINANCIAL MANAGEMENT COMMITTEE MEETING

HELD ON

MEETING DATE



THURSDAY 10 MAY 2007

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City of
Joondalup

CITY OF JOONDALUP

MINUTES OF THE STRATEGIC FINANCIAL MANAGEMENT COMMITTEE MEETING HELD IN CONFERENCE ROOM 2, JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP ON THURSDAY 10 MAY 2007

ATTENDANCE

Committee Members:

Cr Michele John	Presiding Person	South-West Ward
Cr Tom McLean		North Ward
Cr Steve Magyar		North-Central Ward
Cr Geoff Amphlett		Central Ward
Cr Brian Corr		South-East Ward

Officers:

Mr Garry Hunt	Chief Executive Officer
Mr Mike Tidy	Director, Corporate Services
Mr Ian Cowie	Director, Governance & Strategy
Mr Clayton Higham	Director, Planning and Community Development
Ms Janet Harrison	Administrative Services Coordinator

DECLARATION OF OPENING

The Presiding Person declared the meeting open at 1840 hrs.

APOLOGIES/LEAVE OF ABSENCE

Apology	Mayor T Pickard
Leave of absence	Cr R Fishwick

CONFIRMATION OF MINUTES

MINUTES OF THE STRATEGIC FINANCIAL MANAGEMENT COMMITTEE MEETING HELD
ON 18 APRIL 2007

MOVED Cr Magyar SECONDED Cr Amphlett that the minutes of the meeting of the Strategic Financial Management Committee held on 18 April 2007 be confirmed as a true and correct record.

The Motion was Put and

CARRIED (5/0)

In favour of the motion: Crs John, McLean, Amphlett, Magyar 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

**ITEM 1 WORKSHOP ALTERNATIVE REVENUE
 STREAMS – [51567, 03089]**

WARD: All

RESPONSIBLE Mr Mike Tidy
DIRECTOR: Corporate Services

PURPOSE

The purpose of this report is for the committee to workshop alternative revenue streams that the City may be able to tap into.

EXECUTIVE SUMMARY

The Strategic Financial Management Committee at its meeting on 18 April 2007 resolved to work through a number of financial issues that had been previously identified for consideration by the Committee. The first of these is alternative revenue streams.

It is recommended that the outcomes of the workshop of alternative revenue streams be NOTED.

BACKGROUND

At its meeting of 4 July 2006 the Strategic Financial Management Committee carried the following motion:

“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).”*

A report was considered at the Committee’s meeting of 12 September 2006 but deferred and reconsidered at its meeting of 18 April 2007.

It was felt that the best approach was for the Committee to workshop the issues rather than just receive reports for discussion. Alternative revenue streams was nominated as the first issue to be workshopped.

DETAILS

Issues and options considered:

Alternative revenue streams will be workshopped at the meeting.

Link to Strategic Plan:

Key Focus Area 3 - City Development 3.1

The City of Joondalup has well maintained assets and built environment.

Key Focus Area 4 - Organisational Development 4.1

The City of Joondalup is a sustainable and accountable business.

Legislation – Statutory Provisions:

Not Applicable.

Risk Management considerations:

Not applicable

Financial/Budget Implications:

Not applicable

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. Alternative revenue streams will enhance the long-term financial sustainability of the City.

Consultation:

Not Applicable.

COMMENT

Attached is some statistical information in relation to the City's current sources of revenue to help set the scene for the workshop. The numbers are based on the current 2006/07 financial year revised budget. In terms of any unusual items or whether they represent a typical year the most volatile area is in relation to grants which apart from the Grants Commission General Purpose grant can vary significantly from one year to the next. As the grants are invariably tied to expenditure however regardless of the quantum they do not represent a net cash flow. The only other area to be mentioned is in relation to income streams from the Craigie Leisure Centre. It returned to full operation in 2006/07 but it is felt that there is still some room for growth. Again however this is not a generator of significant net cash flow.

For further thought some issues currently being dealt with that have potential for generating revenue streams include:

- Paid parking in the Joondalup CBD – proposals are currently being worked on, requires large short term investment but has significant medium to long term revenue generation potential.
- Intensifying the commercial development of the CBD which:
 - Could provide rate growth, and
 - The City could participate in as a property owner and potential developer.
- Ocean Reef marina development – has potential for rate growth and for revenue generation from the City's land holdings but is a long-term project.

ATTACHMENTS

Attachment 1 Statistical Information re Revenue

VOTING REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION

That the outcomes of the workshop of alternative revenue streams be NOTED.

Elected Members were given the opportunity to raise comments or ideas on new or current revenue stream enhancements.

A workshop was conducted, with the following items being raised by Elected Members:

Cr John: Environmental levy.
Car parking fees.
Building licence fees.
Parking infringements.
Cash in lieu parking.
Rating of Hillarys Marina.
Differential rates.
Ocean Reef development potential.

Cr McLean: Management of car parks at ECU and Joondalup Health Campus.
High rise development.
Boundary realignment.

Cr Magyar: Net energy export.

Cr Corr: Shared services with adjoining local governments.
User pays fee structure.

Cr Amphlett: Sale of residual assets.
Sale of advertising on street signs.

Mayor Pickard (raised in his absence by the CEO):

Casual hire fees for facilities to be near market value.
Bonds to be realistic.
Property rental.
Car parking.
Development of City owned sites.
Asset rationalisation.
Legislation change to enable commercial development.

Discussion took place on the items raised by Elected Members. The Chief Executive Officer then submitted the list of potential revenue streams as raised by the Executive Management Team:

- Alfresco dining.
- Property rentals.
- Car parking.
- Sporting facility hire.
- Leases on land occupied by clubs.
- % GST.
- Phone towers.
- Advertising – web page and publications.
- Investment policy.
- Major increase in hire of facilities.
- Reduced 'free use' of facilities.
- Levy for specific purposes ie security services.

The Chief Executive Officer advised that further investigation will be undertaken on the items raised.

MOVED Cr Amphlett SECONDED Cr McLean that the Strategic Financial Management Committee:

1 REQUESTS that the following potential optional income streams be further explored:

- **Environmental levy**
- **Car parking**
 - **Paid Parking**
 - **Management of car parks at ECU and Joondalup Health Campus**
 - **Parking infringements**
 - **Cash in lieu payments**
- **Building and land licence fees**
- **Rating**
 - **Hillarys Marina**
 - **Differential rating**
 - **Levy/Service Charge for specific purposes ie security services**
- **Ocean Reef development potential**
- **High rise development**
- **Boundary realignment**
- **Net energy export**
- **Shared services with adjoining local governments**
- **Fees and Charges**
 - **User pays fee structure**
 - **Casual hire fees for facilities to be near market value**
 - **Bonds to be realistic**
 - **Property rental**
 - **Club leases**
 - **Reduced 'free use' of facilities**

- **City assets**
 - **Rationalisation**
 - **Development of property**
 - **Phone towers**
- **Sale of advertising on street signs**
- **Legislation change to enable commercial development**
- **Alfresco dining**
- **% GST**
- **Advertising – web page and publications**
- **Investment policy**

2 NOTES that the items raised in 1 above have not been endorsed at this stage, and are merely for further investigation.

The Motion was Put and

CARRIED (5/0)

In favour of the motion: Crs John, McLean, Amphlett, Magyar and Corr

MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION

Review of contract services

Cr Magyar requested information on:

- whether a major review has been undertaken on how the City contracts out for its services;
- how the City defines what each contract is for, and;
- can improvements be made to the process.

CLOSURE

There being no further business, the Presiding Person declared the Meeting closed at 2035 hrs; the following Elected Members being present at that time:

Cr Michele John
Cr Tom McLean
Cr Geoff Amphlett
Cr Steve Magyar
Cr Brian Corr