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Special Council Meeting

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**Minutes of the Special Meeting of the City of South Perth Council
called for the purpose of**

- **Adopting the Strategic Financial Plan for Public Comment; and**
- **A Confidential Staff Matter**

**held in the Council Chamber, Sandgate Street, South Perth
Tuesday 10 April 2007 commencing at 7.00pm**

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Mayor opened the meeting at 7.00pm and welcomed everyone in attendance.

2. DISCLAIMER

The Mayor read aloud the City's Disclaimer.

3. RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE

Present

Mayor J Collins, JP (Chairman)

Councillors:

J Best	Civic Ward
G W Gleeson	Civic Ward (from 7.01pm)
B W Hearne	Como Beach Ward
L M Macpherson	Como Beach Ward
L J Jamieson	Manning Ward
L P Ozsdolay	Manning Ward
C A Cala	McDougall Ward
R Wells, JP	McDougall Ward
R B Maddaford	Mill Point Ward
D S Smith	Mill Point Ward
S Doherty	Moresby Ward
K R Trent, RFD	Moresby Ward

Officers:

Mr S Cope	Acting Chief Executive Officer (until 8.45pm)
Ms A Spaziani	Manager Human Resources (until 8.45pm)
Mrs K Russell	Minute Secretary

Legal Adviser

Ms M Saraceni	Deacons (from 7.28pm until 8.45pm)
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Gallery

There were 7 members of the public and 1 member of the press present in the gallery

4. DECLARATION OF INTEREST

Nil

Note: Cr Gleeson arrived 7.01pm

5. PUBLIC QUESTION TIME (*in relation to Items 7 and 8 only*)

Opening of Public Question Time

The Mayor stated that questions from the public gallery must relate only to the items the subject of the Special Council Meeting. He then opened public question time at 7.02pm.

5.1. Mr John Stewart, 7 Keaney Place, Waterford

Summary of Question

In the interests of transparency and collaboration between Elected Members and City officers towards a unified City, have the Members supporting the vote of No Confidence in the CEO, sought to inform / brief staff of the reasons for their stance? If not, is that an oversight or is such a position being able to be deftly tucked beneath the folds of the cloak of confidentiality?

Summary of Response

The Mayor responded that he could not comment as the matter is confidential.

Close of Public Question Time

There being no further questions from the gallery the Mayor closed Public Question Time at 7.03pm.

6. PRESENTATIONS / PETITIONS / DEPUTATIONS

Nil

7. REPORT

7.1 Adoption of Draft Strategic Financial Plan for Public Comment

Location:	City of South Perth
Applicant:	Council
File Ref:	FS/FI/1
Date:	30 March 2007
Author/Reporting Officer:	Michael J Kent , Director Financial and Information Services

Summary

This report seeks the approval of Council to advertise the draft Strategic Financial Plan for the 2007/2008-2011/2012 period for public comment.

The Strategic Financial Plan (SFP) plays an important role in aligning the City's strategic direction with its financial and organisational capacity. It provides a strategic overview of where the City's financial resources are proposed to be directed over the next five years and it identifies the operational service areas and major projects proposed over the next five years. Proposals within the plan are required to be consistent with the City's approved strategic direction.

The plan indicates the manner in which these activities would be funded and it details the blend of funding options recommended to achieve the identified outcomes. It also acknowledges the level of human resources required to deliver the identified services and projects within each departmental activity area. The plan documents performance criteria for the delivery of services for each of the activities within the plan.

Background

All local governments are required to produce a 'Plan for the Future of the District' in accordance with Section 5.56 of the *Local Government Act*. Although the act is not prescriptive in terms of the exact nature of the Plan for the Future of the District, prudent and responsible business practice suggests that the plan should not only refer to the strategic initiatives that drive the City's business - but also that it should ensure that the local government has the financial and organisational capacity to deliver the projects and services proposed in line with those strategic initiatives. Importantly, that financial capacity should be demonstrated to be sustainable over the longer term.

The City uses its Strategic Plan (based around the six agreed strategic goals) as the *conceptual plan* for the future of the district. That is, it provides the conceptual framework around which proposed projects and services should be structured. It uses the Strategic Financial Plan as the *resource plan* for the future of the district. This means that the SFP ensures that the organisation has the capacity to actually deliver what is being proposed.

The draft Strategic Financial Plan is prepared in a format that satisfies all identified statutory requirements as well as providing an informative, accountable presentation of the City's financial blueprint for the next five years. This document may be effectively used by Council and the Administration in fulfilling their respective roles.

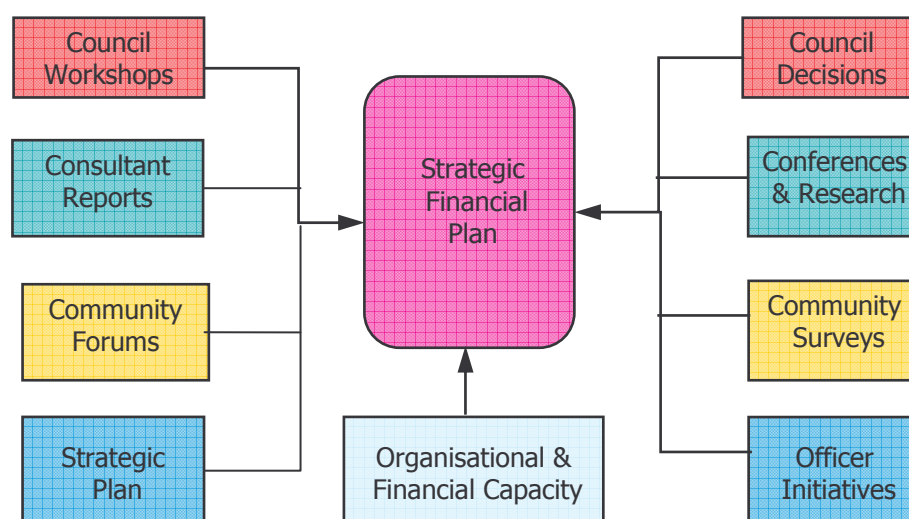
The Draft Strategic Financial Plan is required to be made available to residents and other interested parties for inspection and comment for a minimum period of 42 days. Council is then required to consider the written submissions made (which may or may not result in a change to the plan) before finalising the Strategic Financial Plan and the corresponding Budget for the first year of the plan period.

Comment

The Strategic Financial Plan for the 2007/2008 to 2011/2012 period has been developed through a comprehensive process that integrates technical input and ideas from a wide range of community forums, Council Member workshops / briefings, endorsed City strategies, officer proposals and sophisticated financial models.

The following diagram illustrates the model used to capture and incorporate all of the relevant inputs.

Figure 1 - Inputs to the Strategic Financial Plan



These inputs are then referenced against the Strategic Plan and management plans as well as being considered in the context of the prevailing economic and legislative environment before being developed into an integrated Strategic Financial Plan

In developing this draft Strategic Financial Plan, Council Members have participated in a number of structured briefings and workshops on topics including:

- Strategic Financial Plan and Budget Process / Theme.
- Legislative and Economic Environment.
- Major Capital Projects.
- Operational funding and expenditure components of the SFP.
- Overall funding mix to deliver the SFP proposals.

The Strategic Financial Plan (SFP) evolving from this process helps to plan for a sustainable future for our organisation and our community by:

- Aligning the City's financial, human and technical capacity with its strategic direction.
- Providing an integrated and coordinated approach to resource allocation.
- Establishing service levels and the costs of delivering them.
- Providing measures of success for achievement of strategic targets.
- Providing accountability for resource use.

The Strategic Financial Plan allocates indicative sums of money to potential projects to ensure that the City has the capacity to fund these projects when required ... if the project investigation, demographics, design, business and social models suggest that the projects will add value to our community and its quality of life.

This Strategic Financial Plan has been prepared based upon the agreed theme of building for a sustainable future. It encompasses sound asset management principles with the objective of consolidating and building upon the existing asset base of the City. Emphasis has been placed on the construction or revitalisation of a number of significant community facilities during the life of the plan.

The SFP activity areas are aligned to the departmental (business unit) groupings used to manage the City's administration. This encourages greater accountability and better performance management in relation to resource use. The plan provides an overview of major services / projects proposed during the life of the plan within each of these activity areas. It also includes a group of 'support services' that provide key administration services to support the timely and efficient delivery of the identified departmental activities.

The draft Strategic Financial Plan is tabled as a separate attachment to this report. All revenues and expenditures contained within the plan are, by their very nature, indicative. It should not be construed that the dollar values shown are the definitive amounts to be allocated to the nominated activities nor that the activities will necessarily be funded with absolute certainty from the sources indicated. The final allocation of resources for each activity will be determined by Council each year in the Budget process.

The details contained in the Strategic Financial Plan are sufficient to satisfy the disclosure requirements of the *Local Government Act 1995* and specify:

- Major responsibilities of each area of activity.
- Operating revenue and expenses.
- Major areas of capital expenditure.
- Sources of funding.
- The proposed funding mix.
- Relevant performance criteria.

Consultation

The Strategic Financial Plan informs the community of the City’s proposed activities and it identifies the performance indicators that will measure the City’s success in delivering these services to a professional standard - and in a timely manner.

The public release of the draft plan is a part of the City’s ongoing consultation process with the community and offers the community a chance to understand and comment on the City’s future strategic and financial direction. This is one of a number of City initiated forums throughout the year which provide an opportunity for the community to offer feedback on the development of our City’s future direction.

Public consultation is a statutory requirement of the *Local Government Act*. The City believes that such an important strategic financial document should be effectively communicated to our community and has developed an appropriate strategy to take the plan to the community. The principal objectives of this strategy are:

- To provide broad and representative coverage of the plan to the community.
- To make effective use of a variety of communication forums.
- To encourage understanding of the plan and the way in which its key elements inter-relate.
- To provide adequate opportunity for informed participation in the process of setting the City’s financial direction.

The City proposes to use a sophisticated communication strategy involving a variety of media to inform the community about the plan and the projects contained within it. The proposed public consultation strategy is presented below and clearly identifies the mechanisms by which the City will communicate the draft Strategic Financial Plan in order to invite public submissions on the plan.

Major initiatives relating to the communication of the plan are:

Date	Action to be taken	Responsibility
21 Mar	Present Draft Strategic Financial Plan (SFP) to Council	DFIS
30 Mar	Circulate Draft SFP to Council Members	DFIS
10 April	Draft SFP to Council for adoption	DFIS
12 April	Draft SFP available on www.southperth.wa.gov.au	DFIS / IT Dept
17 April	Advertisement in City Update - Southern Gazette	DFIS / CCO
	Press Release in Southern Gazette	CCO
21 April	Advertise SFP in West Australian Newspaper	DFIS / CCO
	Press Release on City website.	CCO
	Copies of SFP available in all City Libraries and in the Customer Foyer at the Administration Centre	DFIS
1 May	Advertisement in City Update - Southern Gazette	DFIS / CCO
7 May	Public Information Session on the SFP	DFIS / CEO
24 May	Public Submission Period closes	DFIS
29 May	Briefing to Council on Public Submissions	DFIS
26 June	Present Final SFP to Council for adoption	DFIS

Legend: DFIS = Director Financial and Information Services
 CCO = City Communications Officer
 CEO = Chief Executive Officer

Strategic Implications

This report deals with matters of financial management which relate to the key result area of Financial Viability identified in the City's Strategic Plan *'To provide responsible and sustainable management of the City' financial resources'*.

In addition to the statutory requirement that the Strategic Financial Plan be reviewed regularly, responsible business practice and sound financial management principles dictate that the Strategic Financial Plan be reviewed regularly to ensure that it remains relevant and reflects alignment with strategic direction and community expectations.

Policy and Legislative Implications

The attached draft Strategic Financial Plan (circulated separately) is consistent with all of the statutory requirements of Sections 5.56 of the *Local Government Act 1995* and with relevant Council Policies P601 - Strategic Financial Plan and Annual Budget Preparation and Policy P604 - Use of Debt as a Funding Option.

Financial Implications

The draft Strategic Financial Plan provides an innovative, but responsible, financial blueprint for the City. It embraces a total of \$220M worth of expenditure over the next five years. This is comprised of \$163M for delivery of ongoing services and programs plus a further \$57M for major capital initiatives relating to community facilities, infrastructure and asset management etc.

Most importantly, however, the entire five year program is fully funded by a responsible blend of funding from sources including realising unproductive assets, user fees and charges, rates, use of accumulated reserve funds, borrowings and grant funding opportunities. Specific information on the financial aspects of the plan is contained within the Strategic Financial Plan document itself.

OFFICER RECOMMENDATION ITEM 7.1

That....

- (a) the draft Strategic Financial Plan for the years 2007/2008 to 2011/2012 be advertised for public comment in accordance with the provisions of the *Local Government Act 1995*; and
- (b) a report on the submissions received be presented to Council at a briefing as part of the budget process after the conclusion of the public comment period.

STATEMENT DIRECTOR FINANCIAL AND INFORMATION SERVICES

The Mayor requested the Director Financial and Information Services to make comment on the Strategic Financial Plan.

The Director Financial and Information Services gave a brief overview of the Strategic Financial Plan as being a 'blueprint' for the City for the next 5 years. He then spoke on the following points:

- SFP aligns our strategic direction with our financial and organisational capability
- SFP provides a strategic overview/planned services / projects over next 5 years (how they will be funded)
- SFP represents a \$219M commitment to our community over the next 5 years - it is fully funded and financially sustainable
- SFP represents an effective culmination of decisions made by Council
- details of identified major projects within the SFP
- SFP will be made available to community for 42 days for information / comment
- comments received will be considered before final SFP is adopted in June
- commend this important strategic document to Council for support

Mayor Collins and Crs Hearne and Trent individually commended the Director Financial and Information Services and his staff on the production of such an explicit professional document.

OFFICER RECOMMENDATION AND COUNCIL DECISION ITEM 7.1

Moved Cr Hearne, Sec Cr Trent

That....

- (c) the draft Strategic Financial Plan for the years 2007/2008 to 2011/2012 be advertised for public comment in accordance with the provisions of the *Local Government Act 1995*; and
- (d) a report on the submissions received be presented to Council at a briefing as part of the budget process after the conclusion of the public comment period.

CARRIED (13/0)

8. MEETING CLOSED TO THE PUBLIC

8.1 Matter for which the Meeting May be Closed.

COUNCIL DECISION MEETING CLOSED TO THE PUBLIC
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Moved Cr Trent, Sec Cr Maddaford

That the meeting be closed to the public at 7.15pm in accordance with the *Local Government Act Sections 5.23(a), (b),(c), and (d)* while Agenda Item 8.1.1 is discussed as it relates to:

- (a) a matter affecting an employee;
- (b) the personal affairs of a person;
- (c) a contract entered into which relates to a matter to be discussed at the meeting;
- (d) legal advice obtained by the local government and which relates to a matter to be discussed at the meeting

Note: The members of the public and the press left the Chamber at 7.15pm and the Council Chamber doors were closed at 7.16pm

The Mayor circulated copies of the following documents to Council Members to read prior to the legal adviser joining the meeting and the discussion on Item 8.1.1 commencing:

- Profile of Ms M Saraceni of Deacons; and
- Two internal *Confidential* Memorandums dated 30 March 2007 and 10 April 2007.

Note: Ms Saraceni of Deacons joined the meeting at 7.28pm

The Mayor introduced Ms Saraceni to the Members and then asked that she speak to her report of 3 April 2007.

Ms Saraceni spoke on her report, previously circulated to Councillors, and responded to questions through the Chair.

Following the conclusion of the briefing by Ms Saraceni the Mayor thanked her for her attendance and the advice provided.

Note: The Acting Chief Executive Officer, Manager Human Resources and Ms Saraceni of Deacons retired from the meeting at 8.45pm

MEETING ADJOURNED

Moved Cr Cala, Sec Cr Hearne

That the meeting be adjourned at 8.50pm to allow for a 10 minute break.

CARRIED (13/0)

MEETING RESUMED

Moved Cr Doherty, Sec Cr Wells

That the meeting be resumed at 9.00pm.

CARRIED (13/0)

8.1.1 Confidential Staff Matter (*Item 13.1.2 referred from Council Meeting 27.3.2007 and Item 8.1 referred from Special Council Meeting 3.4.2007*)

COUNCIL DECISION ITEM 8.1.1

Moved Cr Cala, Sec Cr Trent

That in accordance with the Contract Agreement under Clause 13.1, Council adopts the lawyer's advice on resolution.

CARRIED (13/0)

COUNCIL DECISION : MEETING OPEN TO THE PUBLIC

Moved Cr Ozsdolay, Sec Cr Doherty

That the meeting be again open to the public at 9.18pm.

CARRIED (13/0)

8.2 Public Reading of Resolutions that may be made Public.

For the benefit of the six members of the public and the member of the press that returned to the Council Chamber the Council Resolution for Item 8.1.1 was read aloud by the Minute Secretary.

14. CLOSURE

The Mayor closed the meeting at 9.20pm and thanked everyone for their attendance.

These Minutes were confirmed at a meeting on 24 April 2007

Signed _____
Chairperson at the meeting at which the Minutes were confirmed.

