



AGENDA

CORPORATE SERVICES AND FINANCE COMMITTEE

8 July 2014

6.00pm

City of Albany Council Chambers

**CITY OF ALBANY
COMMUNITY STRATEGIC PLAN (ALBANY 2023)**

VISION

Western Australia's most sought after and unique regional city to live, work and visit.

VALUES

All Councillors, Staff and Volunteers at the City of Albany will be...

Focused: on community outcomes

This means we will listen and pay attention to our community. We will consult widely and set clear direction for action. We will do what we say we will do to ensure that if it's good for Albany, we get it done.

United: by working and learning together

This means we will work as a team, sharing knowledge and skills. We will build strong relationships internally and externally through effective communication. We will support people to help them reach their full potential by encouraging loyalty, trust, innovation and high performance.

Accountable: for our actions

This means we will act professionally using resources responsibly; (people, skills and physical assets as well as money). We will be fair and consistent when allocating these resources and look for opportunities to work jointly with other directorates and with our partners. We will commit to a culture of continuous improvement.

Proud: of our people and our community

This means we will earn respect and build trust between ourselves, and the residents of Albany through the honesty of what we say and do and in what we achieve together. We will be transparent in our decision making and committed to serving the diverse needs of the community while recognising we can't be all things to all people.

TERMS OF REFERENCE

(1) Function:

The Corporate Services and Finance Committee will monitor and comment on the financial health and strategies of Council and will be responsible for the delivery of the following Civic Leadership Objectives contained in the City of Albany Strategic Plan:

- (a) To establish and maintain sound governance structures;
- (b) To provide strong, accountable leadership supported by a skilled and professional workforce;
- (c) To engage effectively with our community.

(2) It will achieve this by:

- (a) Monitoring and commenting on the financial health and strategies of Council;
- (b) Developing policies and strategies;
- (c) Establishing ways to measure progress;
- (d) Receiving progress reports;
- (e) Considering officer advice;
- (f) Debating topical issues;
- (g) Providing advice on effective ways to engage and report progress to the Community; and
- (h) Making recommendations to Council.

(3) Chairperson: To be elected from the Committee

(4) Membership: All elected members

(5) Meeting Schedule: As required

(6) Meeting Location: To be advised

(7) Executive Officer: CEO or nominee

(8) Delegated Authority: None

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1. DECLARATION OF OPENING

2. PRAYER AND ACKNOWLEDGEMENT OF TRADITIONAL LAND OWNERS

“Heavenly Father, we thank you for the peace and beauty of this area. Direct and prosper the deliberations of this Council for the advancement of the City and the welfare of its people. Amen.”

“We would like to acknowledge the Noongar people who are the Traditional Custodians of the Land.

We would also like to pay respect to Elders both past and present”.

3. RECORD OF APOLOGIES AND LEAVE OF ABSENCE

Mayor Mayor D Wellington (Member)

Councillors:

Member	G Stocks (Chair)
Member	C Dowling
Member	V Calleja JP
Member	R Hammond
Member	A Hortin JP
Member	R Sutton
Member	S Bowles
Member	N Williams
Member	A Goode JP
Member	G Gregson
Member	J Price
Member	B Hollingworth

Staff:

Chief Executive Officer	G Foster
Deputy CEO	G Adams
Manager Finance	D Olde

Minutes	J Stanton
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Apologies:

4. DISCLOSURES OF INTEREST

Name	Committee/Report Item Number	Nature of Interest

5. REPORTS OF MEMBERS

6. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

7. PUBLIC QUESTION TIME

8. APPLICATIONS FOR LEAVE OF ABSENCE

9. PETITIONS AND DEPUTATIONS

10. CONFIRMATION OF MINUTES

DRAFT MOTION

THAT the minutes of the Corporate Services and Finance Meeting held on 10 June 2014, as previously distributed, be CONFIRMED as a true and accurate record of proceedings.

11. PRESENTATIONS

12. UNRESOLVED BUSINESS FROM PREVIOUS MEETINGS

CSF098: FINANCIAL ACTIVITY STATEMENT – MAY 2014

Appendices : Financial Activity Statement
Responsible Officer : Deputy Chief Executive Officer (G Adams)

Responsible Officer's Signature:



CSF098: RESPONSIBLE OFFICER RECOMMENDATION

THAT Council RECEIVE the Financial Activity Statement for the period ending 30 May 2014.

BACKGROUND

1. The Statement of Financial Activity for the period ending 30 May 2014 has been prepared and is attached.
2. In addition to the statutory requirement to provide Council with a Statement of Financial Activity, the City provides Council with a monthly investment summary to ensure the performance of the investment portfolio is in accordance with anticipated returns and complies with the Investment of Surplus Funds Policy.

DISCUSSION

3. In accordance with section 34(1) of the *Local Government (Financial Management) Regulations 1996*, the City of Albany is required to prepare each month a Statement of Financial Activity reporting on the revenue and expenditure of the local authority.
4. The requirement for local governments to produce a Statement of Financial Activity was gazetted in March 2005 to provide elected members with a greater insight in relation to the ongoing financial performance of the local government.
5. Additionally, each year a local government is to adopt a percentage or value to be used in Statements of Financial Activity for reporting material variances. Variations in excess of \$50,000 are reported to Council.
6. These financial statements are still subject to further yearend adjustments and have not been audited by the appointed auditor.

“Please note that rounding errors may occur when whole numbers are used, as they are in the reports that follow. The ‘errors’ may be \$1 or \$2 when adding sets of numbers. This does not mean that the underlying figures are incorrect.”

STATUTORY IMPLICATIONS

7. Section 34 of the *Local Government (Financial Management) Regulations 1996* provides:
- I. A local government is to prepare each month a statement of financial activity reporting on the source and application of funds, as set out in the annual budget under regulation 22 (1)(d), for that month in the following detail –
 - a. annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c);
 - b. budget estimates to the end of the month to which the statement relates;
 - c. actual amounts of expenditure, revenue and income to the end of the month to which the statement relate
 - d. material variances between the comparable amounts referred to in paragraphs (b) and (c); and
 - e. the net current assets at the end of the month to which the statement relates.
 - II. Each statement of financial activity is to be accompanied by documents containing –
 - a. an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets;
 - b. an explanation of each of the material variances referred to in sub regulation (1)(d); and
 - c. such other supporting information as is considered relevant by the local government.
 - III. The information in a statement of financial activity may be shown –
 - a. according to nature and type classification;
 - b. by program; or
 - c. by business unit
 - IV. A statement of financial activity, and the accompanying documents referred to in sub regulation (2), are to be –
 - a. presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and
 - b. recorded in the minutes of the meeting at which it is presented.

FINANCIAL IMPLICATIONS

8. Expenditure for the period ending 30 April 2014 has been incurred in accordance with the 2013/14 proposed budget parameters. Details of any budget variation in excess of \$50,000 (year to date) follow. There are no other known events which may result in a material non recoverable financial loss or financial loss arising from an uninsured event.

POLICY IMPLICATIONS

9. The City's 2013/14 Annual Budget provides a set of parameters that guides the City's financial practices.
10. The Investment of Surplus Funds Policy stipulates that the status and performance of the investment portfolio is to be reported monthly to Council.

File Number (Name of Ward)	FM.FIR.2 - All Wards
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CSF099: LIST OF ACCOUNTS FOR PAYMENT – JUNE 2014

File Number (Name of Ward) : FM.FIR.2 - All Wards
Appendices : List of Accounts for Payment
Responsible Officer : Executive Director Corporate Services (G Adams)

Responsible Officer's Signature:



CSF099: RESPONSIBLE OFFICER RECOMMENDATION

THAT Council RECEIVE the list of accounts authorised for payment under delegated authority to the Chief Executive Officer for the period ending 15 June 2014 totalling \$7,529,524.59.

BACKGROUND

1. Council has delegated to the Chief Executive Officer the exercise of its power to make payments from the City's municipal and trust funds. In accordance with Regulation 13 of the Local Government (Financial Management) Regulations 1996, a list of accounts paid by the Chief Executive Officer is to be provided to Council.

DISCUSSION

2. The table below summarises the payments drawn from the municipal fund for the period ending 15 June 2014. Further details of the accounts authorised for payment by the Chief Executive Officer is included as an Attachment to this report.

Municipal Fund

Trust	\$0.00
Credit Cards	\$21,141.29
Payroll	\$1,062,530.36
Cheques	\$101,810.61
Electronic Funds Transfer	\$6,344,042.33
TOTAL	<u>\$7,529,524.59</u>

3. As at 15 June 2014, the total outstanding creditors, stands at **\$616,151.19** and made up follows:

Current	\$619,619.16
30 Days	-\$2971.42
60 Days	\$0.00
90 Days	-\$496.55
TOTAL	\$616,151.19

4. **Cancelled cheques: - .**

STATUTORY IMPLICATIONS

5. Regulation 12(1)(a) of the Local Government (Financial Management) Regulations 1996, provides that payment may only be made from the municipal fund or a trust fund if the Local Government has delegated this function to the Chief Executive Officer or alternatively authorises payment in advance.
6. The Chief Executive Officer has delegated authority to make payments from the municipal and trust fund.
7. Regulation 13 of the Local Government (Financial Management) Regulations 1996 provides that if the function of authorising payments is delegated to the Chief Executive Officer, then a list of payments must be presented to Council and recorded in the minutes.

FINANCIAL IMPLICATIONS

8. Expenditure for the period to 15 June 2014 has been incurred in accordance with the 2013/2014 budget parameters.

POLICY IMPLICATIONS

9. The City's 2013/2014 Annual Budget provides a set of parameters that guides the City's financial practices.

SUMMARY CONCLUSION

10. That list of accounts have been authorised for payment under delegated authority.

File Number (Name of Ward)	FM.FIR.2 - All Wards
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CSF100: DELEGATED AUTHORITY REPORTS

Attachments : Common Seal and Executed Document Report
Responsible Officer : Chief Executive Officer (G Foster)

Responsible Officer's Signature:



CSF100: RESPONSIBLE OFFICER RECOMMENDATION

THAT Council RECEIVE the Delegated Authority Reports up until 15 June 2014:

CSF101: 2014-15 BUDGET ADOPTION

Proponent : City of Albany
Attachment : 2014/2015 Budget documents
Responsible Officer : Chief Executive Officer (G Foster)

Responsible Officer's Signature:



STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan 2023 and Corporate Business Plan 2013-2017:
 - a. **Key Themes:** 2.2 Clean, Green and Sustainable , 5. Civic Leadership
 - b. **Strategic Objectives:**
 - 2.2. To maintain and renew city assets in a sustainable manner
 - 5.1. To establish and maintain sound business and governance structures.
 - c. **Strategic Initiative:**
 - 2.2.1 Asset Management. Sustainable asset management plans integrated with financial forecasts.
 - 5.1.2 Systems Development and Improvement. Improved financial management.
2. This proposed budget aligns with the City's Corporate Business Plan, which aligns with the City's:
 - a. 10 Year Financial Plan;
 - b. Asset Management Plans; and
 - c. Work Force Development Plan.

In Brief:

- Approve the proposed 2014-15 budget, noting that working with staff, Council Members have participated in a series of budget preparation workshops.

CSF101: RESPONSIBLE OFFICER RECOMMENDATION 1 VOTING REQUIREMENT: SIMPLE MAJORITY

THAT Council:

- **NOTE** the submissions received; and
- **ACKNOWLEDGE** that these submissions were considered by Councillors prior to adoption of the 2014-2015 Budget.

**CSF101: RESPONSIBLE OFFICER RECOMMENDATION 2
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

Council **ADOPT** the following municipal rates in the dollar on unimproved values and gross rental valuations for the 2014-2015 financial year:

(1) Rating Category 1 – GRV General

- The General Rate on Gross Rental Values for the 2014/2015 financial year on Rating Category (1) including all GRV rateable land be 9.7920 cents in the dollar.

(2) Rating Category 3 – UV

- The General Rate on current unimproved values for the 2014/2015 financial year on Rating Category (3) including all UV rateable land be 0.3828 cents in the dollar.

(3) Minimum Rate

- The Minimum Rate for rateable properties within the City of Albany be \$896.00

**CSF101: RESPONSIBLE OFFICER RECOMMENDATION 3
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Council **APPROVES** the following Refuse Collection and Recycling charges for the City of Albany (including general refuse collection, hard waste collection, Bulk green waste collection, collection of recyclables and green waste) be adopted for the 2014-2015 financial year:

(1) Residential Services

- | | |
|-------------------------------------|-------------|
| • Full Domestic Refuse Service | \$306.00 |
| • Refuse Collection 140 Ltr MGB | Weekly |
| • Recycling Collection 240 Ltr MGB | Fortnightly |
| • Green Waste Collection 240Ltr MGB | Monthly |

(2) Additional Services

Additional Services (Maximum of One) with a full domestic rubbish service.

- | | |
|---|---------------------|
| • Refuse Collection 140 Ltr MGB (Inc GST) | Weekly \$90.00 |
| • Recycling Collection 240 Ltr MGB (Inc GST) | Fortnightly \$43.50 |
| • Green Waste Collection 240Ltr MGB (Inc GST) | Monthly \$43.50 |
| • Additional Full Domestic Refuse Service (Inc GST) | \$334.50 |

(3) Waste Facilities Maintenance Rate (Section 66(1) Waste Avoidance and Resource Recovery Act 2007)

In addition to the full domestic refuse service the City will be raising an annual rate under section 66(1) of the Waste Avoidance and Resource Recovery Act 2007 (WARR Act) and, in accordance section 66(3) of the WARR Act, apply the minimum payment provisions of section 6.35 of the Local Government Act 1995. The rate is proposed to be called the 'Waste Facilities Maintenance Rate'. The minimum payment will be \$55.

The proposed rates are:

- GRV General Properties – Rate in the dollar: 0.01 Cents, minimum \$55
- UV General Properties – Rate in the dollar: 0.0022Cents, minimum \$55

**CSF101: RESPONSIBLE OFFICER RECOMMENDATION 4
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

(1) Pursuant to the provisions of section 6.2 of the Local Government Act 1995 and Part 3 of the Local Government (Financial Management) Regulations 1996, the Council **ADOPTS** the Municipal and Trust Funds Budget as contained in the Attachment to this agenda and the minutes, for the City of Albany for the 2014/2015 financial year which includes the following:

- Statement of Comprehensive Income by Nature and Type on page (v) showing a net result for that year of \$10,047,733
- Statement of Comprehensive Income by Program on page (iv) showing a net result for that year of \$10,047,733
- Statement of Cash Flows on page (vii)
- Rate Setting Statement on page (viii) showing an amount required to be raised from rates of \$30,668,026
- Notes to and Forming Part of the Budget on pages (1 to 58)
- Fees and Charges and Capital Works Schedule as detailed in blue pages (1 to 36)
- Transfers to / from Reserve Accounts as detailed in pages (47 to 51)

(2) Pursuant to section 6.11 of the Local Government Act 1995, Council:

(a) Maintains the following reserves [Purpose detailed in pages (47 to 51)]

- Airport Reserve
- Albany Entertainment Centre
- Albany Leisure And Aquatic Centre – Synthetic Surface “Carpet”
- Albany Classic Barriers
- Anzac Centenary
- Bayonet Head Infrastructure Reserve
- City of Albany General Parking Reserve
- Emu Point Boat Pens Development Reserve
- Master Plan Funding Reserve
- Parks Development Reserve
- Plant & Equipment Reserve
- Refuse Collection & Waste Minimisation Reserve
- Refuse Depot Reserve
- Waste Management Reserve
- Building Restoration Reserve
- Roadworks Reserve
- Planning Reserve
- Coastal Management Reserve
- Debt Management Reserve
- Information Technology Reserve
- Regional Cities Alliance Reserve
- Unspent Grants Reserve

(b) -Establish New Reserves

- Capital Seed Funding for Sporting Clubs
- Parks and Recreation Grounds
- National Anzac Centre Reserve
- Land Acquisition Reserve

**ALTERNATE MOTION BY COUNCILLOR PRICE
CSF101: RESPONSIBLE OFFICER RECOMMENDATION 4
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT COUNCIL ADOPT THE RESPONSIBLE OFFICER RECOMMENDATION 4, subject to the inclusion of the following condition:

Surf Reef Feasibility - Acct 77272.230

(3). THAT the following conditions be met prior to accessing the budget line item titled "Surf Reef Feasibility" Acct 77272.230:

- (a) The successful negotiation and receipt of Grange Resource Data sets; and**
- (b) The receipt of in principal support from potential co-funding sponsors, such as Australia's peak surfing organisation, Surfing Australia.**

Councillor's Reason:

Ensure the future feasibility of the project prior to expending allocated funding.

**CSF101: RESPONSIBLE OFFICER RECOMMENDATION 5
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Council APPROVES the due dates for payment of Rates and Rubbish Collection Charges for 2014-2015 be as follows:

- (1) Pay rates in full 18 September 2014.**
- (2) Pay by two instalments:**
 - (a) First Instalment Payment 18 September 2014; and**
 - (b) Second Instalment: 7 January 2015.**
- (3) Pay by four instalments:**
 - (a) First Instalment Payment (and 'Payment in Full'): 18 September 2014;**
 - (b) Second Instalment: 17 November 2014;**
 - (c) Third Instalment: 7 January 2015; and**
 - (d) Fourth Instalment: 18 March 2015.**

**CSF101: RESPONSIBLE OFFICER RECOMMENDATION 6
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT pursuant to the *Local Government Act 1995*, Council **APPROVES** the following Rates and Charges to provide for Administration and Interest Charges on Rating, Rubbish, Waste Recycling and General Debtor Collection charges during the 2014/2015 financial year:

(1) Instalment Plan Administration Fee

An Instalment Plan Administration fee of \$6.00 for the second and each subsequent instalment notice issued will apply for rates and rubbish collection charges.

(2) Late Payment Interest Charge

A charge on outstanding rates and rubbish collection accounts (including amounts owed on ad hoc Payment Plans) of 11% will be calculated daily at 0.0301% on a simple interest basis for the number of days from the account due date until the day prior to the day on which the payment is received.

(3) Instalment Plan Interest Charge

An interest rate of 5.5% will be calculated on a daily basis at 0.0151% by simple interest basis from the due date of the first instalment as shown on the rate notice to the due date of each respective instalment.

(4) Late Payment Interest Charge (Excluding Rates & Charges)

A charge of 11% interest, calculated on a simple interest basis for the number of days outstanding, may apply on unpaid debts (other than rates and rubbish collection charges) outstanding 35 days from the date of invoices raised after 1 July 2014.

In respect to the Late Payment Interest Charge on rates and charges, the method of calculating the interest charge is on the daily balance outstanding.

(5) Waivers

Where a small balance remains on a property assessment due to circumstances such as a delay in the receipt of mail payments or monies from property settlements and additional daily interest has accumulated, amounts outstanding of \$5.00 and under will be waived, as it is not considered cost effective or equitable to recover from the new property owner. Estimated loss of revenue from this waiver is \$1,100.

**CSF101: RESPONSIBLE OFFICER RECOMMENDATION 7
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Council **APPROVES** the Schedule of Fees and Charges (which forms part of the 2014/2015 Budget) be adopted effective from 22 July 2014.

**CSF101: RESPONSIBLE OFFICER RECOMMENDATION 8
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Council SETS the Elected Member Sitting Fees and allowances as prescribed by the *Local Government (Administration) Regulations 1996* per annum, being:

- (1) Councillor Meeting Attendance Fee: \$22,660**
- (2) Mayoral Meeting Attendance Fee: \$30,385**
- (3) Councillor and Mayoral ICT Allowance: \$3,500**
- (4) Annual Travel and Accommodation Allowance (allowable claims in excess of this allowance will be reimbursed):\$50**
- (5) Total Mayoral Allowance is \$61,800**
- (6) Deputy Mayoral Allowance: \$15,450 - being 25% of the Mayoral Allowance.**

**CSF101: RESPONSIBLE OFFICER RECOMMENDATION 9
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Council APPROVES a variance between actual and budget-to-date of greater than \$50,000 is considered to be a material variance for reporting purposes in the Statement of Financial Activity for 2014/2015.

BACKGROUND

3. Council has considered strategic and operational issues which will impact on the 2014/15 budget.
4. Under section 6.36 of the *Local Government Act 1995*, the City is not required to advertise the proposed rates amounts for the 2014/15 financial year. However those proposed amounts were advertised, from 20 June 2013, for a period of 21 days in addition with legislation requirements.

DISCUSSION

5. Through Council workshops, Council members have considered various factors in developing a financially responsible budget while ensuring compliance with Local Government legislation, occupational safety and health requirements, continuation of the various services provided by the City, cost-saving initiatives and new capital projects that are “project ready” or will be required to be undertaken this financial year, given commitments previously made by Council.
6. An important consideration in preparing any budget is to ensure that Council works towards achieving financial sustainability for the future. The draft budget reflects a number of factors to maintain financial sustainability, which will impact not only on this year’s budget but will have a compounding effect in future budgets.

GOVERNMENT CONSULTATION

7. The Department of Local Government is not consulted prior to budget adoption. Once the Budget is adopted, a copy is sent to the Department for review.

PUBLIC CONSULTATION / ENGAGEMENT

8. At the Ordinary Council meeting on 24 June 2014, the Council endorsed advertising proposed rate in the Dollar for GRV and UV.
9. A budget information brochure will be included with every rate notice, together with a separate brochure produced by the Fire & Emergency Services Authority of WA explaining the Emergency Services Levy (ESL).

STRATEGIC IMPLICATIONS

10. This item directly relates to, and contributes to achievement of, the Strategies within the *Community Strategic Plan – Albany 2023*, and *Corporate Business Plan- 2013-2017*.

POLICY IMPLICATIONS

11. Nil.

RISK IDENTIFICATION & MITIGATION

12. The risk identification and categorisation relies on the City's Risk Management Framework.

Risk	Likelihood	Consequence	Risk Rating	Mitigation
<i>Council does not endorse the 2013-14 Budget, with the consequence risk of deferred cashflow, and thus inability to meet financial commitments.</i>	<i>Unlikely</i>	<i>Extreme</i>	<i>Extreme</i>	<ul style="list-style-type: none"> <i>Delegated authority to the CEO to incur expenditure under the Local Government Act 1995 until Budget endorsement.</i> <i>Reconsideration of the budget paper at a Council meeting prior to 31 August 2013.</i>

FINANCIAL IMPLICATIONS

13. The 2014-15 Budget sets the parameters for expenditure of City resources.
14. The City must meet its legislative and debt obligations through endorsement of a budget. Failure to do so incurs considerable financial and other risks to the City.

LEGAL IMPLICATIONS

15. Nil.

ALTERNATE OPTIONS

16. Council adopt the 2014/15 Annual Financial Budget with changes.

SUMMARY CONCLUSION

17. Endorsement of the budget provides delegated authority to the CEO to incur expenditure from 1 July 2014 until 30 June 2015.

Consulted References	<i>Local Government Act 1995</i> <i>Local Government (Financial Management) Regulations 1996.</i>
File Number (Name of Ward)	FM.BUG.2
Previous Reference	OCM Item CFS097 24 June 2014

CSF102: APPROVAL OF EXPENDITURE FROM ALBANY ENTERTAINMENT CENTRE RESERVE – SIGNAGE UPGRADES

Responsible Officer(s) : Executive Director Corporate Services (G Adams)

Responsible Officer's Signature:



STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan 2023 and Corporate Business Plan 2013-2017:
 - a. **Key Theme:** 3. A Connected Built Environment.
 - b. **Strategic Objectives:**
 - 3.1 To advocate, plan and build friendly and connected communities.
 - 4.1 To build resilient and cohesive communities with a strong sense of community spirit.
 - c. **Strategic Initiative:**
 - 4.1.1 Cultural Development

IN BRIEF

- Signage at the Albany Entertainment Centre is below standard and does not clearly indicate what the building is and how to get to particular areas of the Centre.
- The restaurant “View” is not clearly identified.
- The signage upgrade will complement the maintenance works being planned by Perth Theatre Trust to ensure that the building is presented well for the coming Anzac Centenary Events.
- The Entertainment Centre will feature prominently in the Anzac Commemoration events.
- Perth Theatre Trust Board has approved an amount of \$38,179 subject to the City of Albany contributing a similar amount.

**CSF102: RESPONSIBLE OFFICER RECOMMENDATION
VOTING REQUIREMENT: SIMPLE MAJORITY**

Subject to the Perth Theatre Trust committing a similar amount, Council approve the expenditure of \$38,179 from the Albany Entertainment Centre Reserve, in order to install improved signage at the Albany Entertainment Centre.

BACKGROUND

2. The Albany Entertainment Centre (AEC) was originally built with the intention that the City would own and operate it, which was outlined in an Memorandum of Understanding (MOU). However, for a number of reasons, the facility has not been transferred to the City as planned.
3. The State Government, through the Perth Theatre Trust (PTT), currently owns and operates the AEC, via a contract to with AEG Ogdens, which terminates on 31 December 2014.
4. The State Government has extended its agreement with the City to own and operate the AEC until 30 June 2015, pending the determination of a long term sustainable operating model.

5. Whilst discussions regarding the long term model are continuing, it is likely that any sustainable model will be dependent upon the continued support of both the City of Albany and the State Government.
6. Currently, the City of Albany contributes approximately \$400,000 per year towards the operating deficit of the facility, with the remainder of the deficit being contributed by the State Government.
7. There are still a number of defects evident from the original build, which require rectification. In addition PTT has identified a number of maintenance issues which will be undertaken in order to bring the presentation of the building back to its original state.

DISCUSSION

8. PTT is continuing to work with the City on determining a long term sustainable operating model for the AEC.
9. There are a number of outstanding defects and PTT has taken the lead role in resolving these with the builder, the architects and the project manager.
10. PTT has indicated that it will be undertaking maintenance on the exterior of the building in order for it to present as designed for the Anzac Commemorative events.
11. The AEC will be a hub for Anzac Centenary events, particularly with regard to hosting of VIPs and the harbour lights and projection events.
12. The ABC will be conducting live telecasts of the Commemorative events and it is expected that the AEC will feature prominently in these, particularly with events centred around the harbour.
13. Signage on and around the AEC is substandard and does not clearly identify what the building is or what is contained within it. The restaurant is not identified on any signage, which potentially has an impact on its ability to generate revenue and offset operating costs.
14. The current manager commissioned a design company to develop “external wayfinding” signage for the AEC. This includes:
 - i) Illuminated “Albany Entertainment Centre” signage on both sides of the AEC
 - ii) Signage at the car park entrance
 - iii) Directional signage between the car park and the entrance
 - iv) Smaller directional signage at the south east corner of the Centre
 - v) Illuminated signage at “View” restaurant
15. The total cost of this signage is approximately \$115,000.
16. In March 2014, the manager of the AEC wrote to the City requesting half the funding necessary to complete the illuminated signage. However, at this time, there had been no commitment by the State Government to own and operate the AEC beyond 30 June 2014. In addition, PTT had not committed to any allocation of funds. The AEC was advised by the Deputy CEO that no funding request would be put before Council until these issues were resolved.
17. The State Government has now committed to owning and operating the AEC until 30 June 2015 pending development, with the City, of a long term sustainable model. PTT has also recently advised that its Board has approved an allocation of \$38,000 being half the cost of the illuminated signage.

18. The illuminated signage includes:
- a) Albany Entertainment Centre- Installation of 'Albany Entertainment Centre' in 900mm high internally LED illuminated acrylic letters on the North (City) and South (Marina) side of the building.
 - b) VIEW Restaurant- Installation of 'VIEW' in internally LED illuminated acrylic letters and 'FOOD WINE COFFEE' in non-illuminated acrylic letters on the western corner (facing the Anzac Peace Park) of the building.
19. The cost associated with the above work is \$76,358, which includes manufacture, installation, building and electrical work. Electrical and building work is to be undertaken by local contractors.
20. To date, the State Government has looked favourably on the City's continued contribution to the operating costs of the AEC and its previous capital commitment of \$42,174, which funded half the cost of installation of a glass partition between the function area and the main Entertainment area. This has reportedly had a positive effect on function revenues. This has assisted in negotiations with regard to continued support from the State Government.

GOVERNMENT CONSULTATION

21. Consultation has occurred with Perth Theatre Trust which has committed to funding half the cost of signage.

PUBLIC CONSULTATION / ENGAGEMENT

22. Nil

STATUTORY IMPLICATIONS

23. Expenditure from reserves requires Council approval in accordance with the Local Government Act 1995.

POLICY IMPLICATIONS

24. There are no Policy implications in relation to the proposed fees and charges structure.

RISK IDENTIFICATION & MITIGATION

25. The risk identification and categorisation relies on the City's Risk Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<i>The Albany Entertainment Centre will not be identified in media during Anzac commemorations.</i>	<i>Likely</i>	<i>Minor</i>	<i>Low</i>	<i>Install appropriate signage.</i>
<i>Lack of signage impacts negatively on revenues for restaurant.</i>	<i>Likely</i>	<i>Moderate</i>	<i>High</i>	<i>Install signage to try and increase visitation and turnover of restaurant.</i>

FINANCIAL IMPLICATIONS

26. The required funding \$38,179 will be taken from the Albany Entertainment Centre Reserve, which as at 30 June 2015 is currently projected to have a balance of \$362,253.

LEGAL IMPLICATIONS

27. Nil

ALTERNATE OPTIONS

28. That Council does not approve the expenditure from the reserve.
29. That Council approves a lesser amount from the reserve, which will allow for only part of the signage work to be completed.

SUMMARY CONCLUSION

30. AEG Ogden and PTT have requested that the City commit to funding half the cost of illuminated signage at the Albany Entertainment Centre. PTT has committed to funding half the cost. The total commitment requested from the City is \$38,179.

Consulted References	Memorandum of Understanding Albany entertainment Centre Signage 12 April 2012 – External Wayfinding
File Number (Name of Ward)	CS.AGR.4 / CP.MAI.32
Previous Reference	Nil

- VIII. URGENT BUSINESS TO BE APPROVED BY DECISION OF THE MEETING:**
- IX. REQUEST FOR REPORTS FOR FUTURE CONSIDERATION:**
- X. ANNOUNCEMENT OF NOTICES OF MOTION TO BE DEALT WITH AT THE NEXT MEETING:**
- XI. CONFIDENTIAL ITEMS TO BE DEALT WITH WHILE THE MEETING IS CLOSED TO ATTENDING MEMBERS OF THE PUBLIC:**
- XII. NEXT MEETING DATE: 6.00pm 13 August 2014 (Wednesday)**
- XIII. CLOSURE OF MEETING:**