

4.3: 2011-12 BUDGET ADOPTION

ALTERNATE MOTION BY COUNCILLOR LEAVESLEY

DATE & TIME REQUEST FOR ALTERNATE MOTION RECEIVED: 4.31 AM ON WEDNESDAY 6 JULY 2011

ITEM 4.3: ALTERNATE MOTION BY COUNCILLOR LEAVESLEY

VOTING REQUIREMENT:ABSOLUTE MAJORITY

The Budget be adopted as is but subject to the addition of the following conditions (1-5 to be considered en bloc and 8-9 to be considered en bloc, 6,7,10,11 and 12 to be considered separately).

1.THAT pursuant to the adopted 2011-12 Budget, Council agree to quarantine the amount of \$ 117,000 – line item182820 allocated to CEO Salaries, until the matter is further considered and approval given to the allocation of those funds.

2.THAT pursuant to the adopted 2011-12 Budget, Council agree to quarantine the amount of \$ 70,000 – line item195820 allocated to PRO Salaries, until the matter is further considered and approval given to the allocation of those funds.

3.THAT pursuant to the adopted 2011-12 Budget, Council agree to quarantine the amount of \$ 247,000 – line item101320 allocated to Corp SVC Salaries, until the matter is further considered and approval given to the allocation of those funds.

4.THAT pursuant to the adopted 2011-12 Budget, Council agree to quarantine the amount of \$ 100,000 – line item184020 allocated to Finance Salaries, until the matter is further considered and approval given to the allocation of those funds.

5.THAT pursuant to the adopted 2011-12 Budget, Council agree to quarantine the amount of \$ 100,000 – line item122320 allocated to Development Salaries, until the matter is further considered and approval given to the allocation of those funds.

6.THAT pursuant to the adopted 2011-12 Budget, Council agree to quarantine the amount of \$ 36,600 – line item181020 allocated to Member fees and allowances, until the matter is further considered and approval given to the allocation of those funds.

7. THAT pursuant to the adopted 2011-12 Budget, Council agree to quarantine the amount of \$3,000,000 – line item 7544 allocated to Airport upgrade terminal management until the matter is further considered and approval

CORPORATE SERVICES REPORTS

given to the allocation of those funds.

8. THAT pursuant to the adopted 2011-12 Budget, Council agree to quarantine the amount of \$20,000 – line item 52A allocated to the Mt Romance Art Prize, until the matter is further considered and approval given to the allocation of those funds.

9. THAT pursuant to the adopted 2011-12 Budget, Council agree to quarantine the amount of \$30,000 – line item 52B allocated to the Albany Art Prize, until the matter is further considered and approval given to the allocation of those funds. (Note funds from 52A and 52B to be allocated to the Regional Cities Alliance Commitment – UWA Contract)

10. THAT pursuant to the adopted 2011-12 Budget, Council agree to allocate appropriate funds to prepare for the costs relating to the City's pending management of the AEC.

11. THAT pursuant to the adopted 2011-12 Budget, Council agree to upwardly review the allocation of funds in relation to asset management within a 6 month timeframe from the adoption of the 2011/12 budget.

12. THAT pursuant to the adopted 2011-12 Budget, Council agree to upwardly review the allocation of funds in relation to the ANZAC centenary celebrations.

Councillor's Reason:

It is my opinion that the proposed 2011/12 budget is not moving towards putting the City of Albany on a sustainable financial footing. I believe it would be irresponsible of Council to unconditionally support a budget that fails to start to address funding gaps in asset management, that sees employee costs accelerating three times the rate of our numbers of ratepayers and fails to prepare for the additional costs related to the City's operation of the Albany Entertainment Centre.

Officer's Report (F James)

The motion refers to specific "line items". These are (presumably) references to working documents created by the City Executive for budget workshops with Council. Those references and working documents do not form part of the budget presented for endorsement.

Consistent with the CEO's legislative functions, the CEO has advised Council over several budget workshops of the resources required for the day to day and capital operations of the City.

Should Council choose not to allocate an adequate budget amount for provision of the City's services and functions, including allocating appropriate staff expenses, Council must resolve what services and functions it will limit the provision of, or cease to provide.

Aviation Transport Security Regulations 2005 (as amended) require that passenger and cabin baggage screening will apply to passengers departing on aircraft over 20,000 kg (effective from 1 July 2012). The aircraft currently operated by Skywest have a maximum weight of 20,800 kg and thus Albany Airport is required to install passenger and checked baggage screening. Any delay

CORPORATE SERVICES REPORTS

caused by quarantining of funds to progress this project will adversely affect the City's ability to meet the legislative deadline, incurring significant economic and reputational risk to the City.

Agreement regarding the future control, management and ownership of the Albany Entertainment Centre has not been reached with the State Government. The City has no legal obligation to assume any liability in respect of the Entertainment Centre on a particular date. Communication between the State Government and its officers, and the City, is continuing in respect of this matter. Should Council resolve to support condition 10 in the above motion, it will have to reprioritise expenditure and or increase revenue.

The Council has previously endorsed several Asset Management Plans. However, the Plans require considerable review and amendment, including improved analysis of assets currently held, improved maintenance and capital expenditure analysis, and analysis of the timing of such expenditure. Because of their lack of rigour, implementation of those Plans has not occurred, in some cases at all, or alternatively consistently. The CEO intends to undertake Plans' reviews, and develop further specific Asset Management Plans over the next 12 months. This is a considerable body of work, and to complete it properly would not be possible within six months, without additional budget allocation for additional staff or consultant engagement. In parallel to the revision and development of the Asset Management Plans, the City's Executive will be developing its five year Finance Plan.

The current budget proposes an allocation of \$10,000 to the Anzac Centenary Reserve, in addition to staff salaries in the amount of approximately \$116,000, for the work of staff directly related to the Centenary work. Should Council resolve to support condition 12 in the above motion, it will have to reprioritise expenditure and or increase revenue.