



## **Minutes of the Ordinary Meeting of Council**

**Wednesday 25 August 2021**

4.00pm

Council Chambers

209 Comur Street, Yass

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**Council Meeting – Councillor Turner declared the meeting open at 4.06 pm.**

**Present**

Councillors Kim Turner, in the Chair, Geoff Frost, Nathan Furry (via Zoom), Allison Harker, Jasmin Jones, Michael McManus (via Zoom) and Mike Reid (via Zoom).

Also present were the General Manager – Chris Berry, Director of Planning & Environment – Julie Rogers, Director of Infrastructure & Assets – James Dugdell, Director of Corporate & Community – Lynette Safranek and Corporate Planning & Executive Support Officer – Shirree Garland.

**Motion**

***RESOLVED that Councillor Kim Turner chair the meeting.***

***(Furry/Frost) 164***

FOR: Councillors G Frost, N Furry, A Harker, J Jones, M McManus, M Reid and K Turner

AGAINST: Nil

**Acknowledgement of Country**

**1. Prayer**

**2. Apologies**

***RESOLVED that apologies be received from Councillors Abbey and Burgess and leave of absence be granted.***

***(Frost/Harker) 165***

FOR: Councillors G Frost, N Furry, A Harker, J Jones, M McManus, M Reid and K Turner

AGAINST: Nil

**3. Declaration of Interest/Disclosures**

**Chris Berry, General Manager**, declared a pecuniary conflict of interest in Item 13.1 –Minutes of the General Manager’s Performance Review Committee held on 2 August 2021.

**Reason:** Chris Berry declared an interest as the report/minutes relate to his employment at Council.

**4. Confirmation of Minutes**

***RESOLVED that the minutes of the Ordinary Council Meeting held on 28 July 2021 covered by resolution numbers 134-163 inclusive, be taken as read and confirmed.***

***(McManus/Harker) 166***

FOR: Councillors G Frost, N Furry, A Harker, J Jones, M McManus, M Reid and K Turner

AGAINST: Nil

## **5. Mayoral Minute**

### **5.1 MAYORAL MINUTE - COMPLIANCE LEVIES**

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#### **SUMMARY**

To provide an update in changes to legislation preventing Council from introducing a compliance levy for improved oversight, resourcing of statutory and regulatory responsibilities and advice of action taken.

***RESOLVED that the action taken in relation to the prohibition of Councils introducing compliance levies on Development Applications to improve the oversight and resourcing of statutory and regulatory responsibilities sought by the Yass Valley community be endorsed.***

**(Furry/Harker) 167**

FOR: Councillors G Frost, N Furry, A Harker, J Jones, M McManus, M Reid and K Turner

AGAINST: Nil

## **6. Director of Planning & Environment Reports**

### **6.1 DEVELOPMENT CONSENT NO 200184 - REQUEST FOR DEFERRED PAYMENT OF CONTRIBUTIONS - 2 ROSE STREET, MURRUMBATEMAN**

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#### **SUMMARY**

To present a request to defer payment of development contributions (including water and sewer headworks) in relation to Development Consent DA200184 for the construction of a dwelling house and two lot subdivision at 2 Rose Street, Murrumbateman. This request is consistent with previous and similar arrangements and recommends that a Voluntary Planning Agreement be entered into for the deferred payment.

***RESOLVED that a Voluntary Planning Agreement be entered into for the deferred payment of development contributions (including water and sewer headworks) associated with Development Consent DA200184, Murrumbateman, subject to the agreement including:***

- ***Payment of the required contributions (indexed in accordance with CPI) within two years of the occupation of the dwelling house.***
- ***Any deferred payments being subject to interest equal to that for outstanding rates.***

**(Frost/Harker) 168**

FOR: Councillors G Frost, N Furry, A Harker, J Jones, M McManus, M Reid and K Turner

AGAINST: Nil

## 6.2 VARIATIONS TO DEVELOPMENT STANDARDS QUARTERLY REPORT

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### SUMMARY

Reporting on development standard variations approved in the second quarter (April – June) of 2021.

**RESOLVED that the report on approved development variations for the second quarter of 2021 be noted.**

(Frost/Jones) 169

FOR: Councillors G Frost, N Furry, A Harker, J Jones, M McManus, M Reid and K Turner

AGAINST: Nil

## 6.3 HEAVY HAULAGE DEVELOPMENT CONTRIBUTIONS PLAN

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### SUMMARY

To present a report on the outcomes of the consultation for the draft Yass Valley Heavy Haulage Development Contributions Plan. It is recommended that the draft plan be adopted, and the Yass Valley Heavy Haulage Section 94 Plan (2006) be repealed.

**RESOLVED that .**

- 1. The draft Heavy Haulage Development Contributions Plan (2021) be adopted, subject to amending the Section 2.5 of the plan as follows:**

***“Exemptions to developer contributions towards heavy haulage costs on top of levies under the Yass Valley Development Contributions Plan 2018 are at the discretion of Council, where the contribution payable would be greater if levied solely under the Yass Valley Development Contributions Plan 2018.”***

- 2. The Yass Valley Heavy Haulage Section 94 Plan (2006) be repealed.**

(Furry/Reid) 170

FOR: Councillors G Frost, N Furry, A Harker, J Jones, M McManus, M Reid and K Turner

AGAINST: Nil

## 6.4 ROAD RESERVE ENCROACHMENT - 1 GREEN STREET, YASS & DEVELOPMENT CONSENT NO DA190106 - SUBDIVISION, 114 GRAND JUNCTION ROAD, YASS

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### SUMMARY

Development Consent DA190106 has been issued for the subdivision of 114 Grand Junction Road, Yass, which includes the construction of new road within an existing road reserve. It has been since identified that the existing boundary fencing and landscaping of adjoining 1 Green Street encroach into the road reserve. Council has been approached with a request for partial road closure and road reserve dedication.

**RESOLVED that :**

1. *The part road closure of Grand Junction Road, Yass be approved.*
2. *The road closure process be commenced and notification be undertaken in accordance with the Roads Act 1993.*
3. *The closed road be dedicated as Operational Land under the Local Government Act 1993 and sold to the owner of 1 Green Street at the unimproved land value.*
4. *The part of 1 Green Street be dedicated as public road.*
5. *The General Manager and Mayor be authorised to sign documentation associated with the partial road closure.*

**(Frost/Jones) 171**

FOR: Councillors G Frost, N Furry, A Harker, J Jones, M McManus, M Reid and K Turner

AGAINST: Nil

## **7. Director of Infrastructure & Assets Reports**

### **7.1 WATER SOURCE STRATEGY STUDY - UPDATE**

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#### **SUMMARY**

In 2018, Council resolved to carry out an investigation to develop the Yass water supply system to support the *Yass Valley Settlement Strategy*. This report provides an update and seeks Council direction on budget.

**RESOLVED that :**

1. *The work carried out to seek a subsidy to develop the Water Source Strategy Study and the DPIE direction that the study is ineligible for funding at this time be noted.*
2. *An additional \$50,000 (\$100,000 in total) be allocated from the s64 Water Network Reserve to the 2021/22 Operational Plan and Budget to complete this study.*

**(Jones/Harker) 172**

FOR: Councillors G Frost, N Furry, A Harker, J Jones, M McManus, M Reid and K Turner

AGAINST: Nil

### **7.2 2021/22 BLACKSPOT PROGRAM GRANTS**

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#### **SUMMARY**

To accept funds of \$1,405,000 provided under the 2021/22 Australian Government Blackspot Program.

**RESOLVED that :**

1. **The 2021/22 Australian Government Blackspot program grants be accepted for:**
  - **Safety improvements on Mulligans Flat Road - \$745,000**
  - **Safety improvements on Murrumbateman Road - \$660,000**
2. **The 2021/22 Operational Plan/Budget be modified to reflect the above recommendations to include:**
  - **Local Roads - (310) - \$745,000 of capital grant funds to cover \$745,000 capital expenditure**
  - **Regional Roads - (320) - \$660,000 of capital grant funds to cover \$660,000 capital expenditure.**

**(Furry/Reid) 173**

FOR: Councillors G Frost, N Furry, A Harker, J Jones, M McManus, M Reid and K Turner

AGAINST: Nil

### **7.3 CRAGO MILL PRECINCT BUSINESS CASE**

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#### **SUMMARY**

Council has approved the submission of a Development Application for the Crago Mill Precinct Project. The next stage of the process is the development of the Business Case for the project to determine the funding requirements, sources and sustainability of the project.

**RESOLVED that the development of the Business Case for the Crago Mill Precinct Project be progressed with funding of \$55,000 allocated from the Land and Buildings Reserve.**

**(Jones/Reid) 174**

FOR: Councillors G Frost, N Furry, A Harker, J Jones, M McManus, M Reid and K Turner

AGAINST: Nil

### **8. Director of Corporate & Community Reports**

#### **8.1 INVESTMENT AND BORROWINGS REPORT - JULY 2021**

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#### **SUMMARY**

In accordance with clause 212 *Local Government (General) Regulation 2005*, this report provides a summary of Council's investments as at 31 July 2021. In accordance with paragraph (1)(b), it can be certified that the investments listed have been made in accordance with the Act, the Regulations and Council's Investment Policy.

**RESOLVED that the Investment Report as at 31 July 2021 be received and noted that the summary has been prepared in accordance with the Act, the Regulations and Council's Investment Policy.**

**(Harker/Frost) 175**

FOR: Councillors G Frost, N Furry, A Harker, J Jones, M McManus, M Reid and K Turner

AGAINST: Nil

## 8.2 DRAFT 2020/21 ANNUAL FINANCIAL STATEMENTS

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### SUMMARY

In accordance with s413 *Local Government Act 1993*, approval is sought to refer the Draft 2020/21 Annual Financial Statements to Council's external auditor.

#### **RESOLVED that :**

- 1. The Draft 2020/21 Annual Financial Statements be referred to the NSW Audit Office when completed.**
- 2. The Statement of Councillors and Management be signed in accordance with s413 (1), (2) and (3) Local Government Act 1993 once the draft Financial Statements are ready.**
- 3. On receipt of the Audited Reports, forward a copy to the Office of Local Government.**

(Frost/Harker) 176

FOR: Councillors G Frost, N Furry, A Harker, J Jones, M McManus, M Reid and K Turner

AGAINST: Nil

## 8.3 REVIEW OF FRAUD & CORRUPTION CONTROL POLICY

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### SUMMARY

The *Fraud & Corruption Control Policy* has been reviewed to ensure Council has a sound policy to prevent, detect, investigate, and recover from fraudulent and corrupt conduct. The revised version of the policy is consistent with Australian Standard 8001:2008 Fraud and Corruption Control.

**RESOLVED that consideration of draft GOV-CP-22 Fraud & Corruption Control Policy be deferred for further discussion at a Councillor Workshop.**

(Furry/Jones) 177

FOR: Councillors G Frost, N Furry, A Harker, J Jones, M Reid and K Turner

AGAINST: Councillor M McManus



#### **8.4 SIX MONTHLY PROGRESS REPORTING ON THE 2017/18 - 2020/21 DELIVERY PROGRAM**

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##### **SUMMARY**

In line with the Integrated Planning and Reporting Framework, Council is required to report on progress against the actions and activities identified in its Delivery Program. This report contains the status of actions and activities undertaken for the period 1 January 2021 to 30 June 2021.

***RESOLVED that the six monthly Progress Report for the 2017/18 – 2020/21 Delivery Program for period 1 January 2021 to 30 June 2021 be noted.***

**(Harker/Frost) 178**

FOR: Councillors G Frost, N Furry, A Harker, J Jones, M McManus, M Reid and K Turner

AGAINST: Nil

#### **9. General Manager Reports**

##### **9.1 YASS WATER TREATMENT PLANT UPGRADE FUNDING SCENARIOS - IMPACT ON TYPICAL RESIDENTIAL WATER BILLS**

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##### **SUMMARY**

In December 2020 an update on progress of the Yass Water Treatment Plant Upgrade Project was provided to Council. This report was provided in May 2021 and identified a single scenario. Council determined that for different funding scenarios, impacts on local household water charges be reported back to Council with sensitivity analysis conducted on the financial modelling.

***RESOLVED that this item be classified as Confidential in accordance with Section 10A(2)(c) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.***

**(Furry/Reid) 179**

FOR: Councillors, N Furry, A Harker, , M McManus, M Reid and K Turner

AGAINST: Councillors J Jones G Frost

#### **10. Notice of Motion**

Nil

#### **11. Questions with Notice**

Nil

**12. Minutes and Recommendations of Council Committees**

**12.1 MINUTES OF THE GENERAL MANAGER'S PERFORMANCE REVIEW COMMITTEE  
HELD ON 2 AUGUST 2021**

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**REPORT**

The General Manager's Performance Review Committee meeting was held on 2 August 2021. As this meeting relates to a personnel matter concerning a particular individual it is recommended that the matter be dealt with in Closed Session.

***RESOLVED that this item be classified as Confidential in accordance with Section 10A(2)(a) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to personnel matters concerning particular individuals (other than councillors).***

***(Furry/Reid) 180***

FOR: Councillors G Frost, N Furry, A Harker, J Jones, M McManus, M Reid and K Turner

AGAINST: Nil

**13. Confidential Matters**

***RESOLVED that pursuant to Section 10A of the Local Government Act, 1993 the following items on the agenda be classified as CONFIDENTIAL and considered in the Closed Meeting of Council in accordance with Section 10A(2) of the Local Government Act for the reasons as specified:***

**13.1 Minutes of the General Manager's Performance Review Committee held on 2 August 2021**

***Item 13.1 is confidential in accordance with section s10(A)(2)(a) of the Local Government Act because it contains personnel matters concerning particular individuals (other than councillors) and discussion of the matter in an open meeting would be, on balance, contrary to the public interest.***

**13.2 Yass Water Treatment Plant Upgrade Funding Scenarios - Impact on Typical Residential Water Bills**

***Item 13.2 is confidential in accordance with section s10(A)(2)(c) of the Local Government Act because it contains information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business and discussion of the matter in an open meeting would be, on balance, contrary to the public interest.***

***(Frost/Harker) 181***

FOR: Councillors G Frost, N Furry, A Harker, J Jones, M McManus, M Reid and K Turner

AGAINST: Nil

Closed Council commenced at 4.59 pm.

All staff left the Meeting at 4.59pm.

**13.1 MINUTES OF THE GENERAL MANAGER'S PERFORMANCE REVIEW COMMITTEE  
HELD ON 2 AUGUST 2021**

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**RESOLVED that the minutes of the General Manager's Performance Review Committee held on 2 August 2021 be noted and the following recommendations be adopted:**

**Item 1 General Manager's Performance Review 2021**

***That the General Manager's Performance Review be noted as meets, and at times exceeds, expectations.***

**Item 2 General Manager's Performance Review 2022**

***That the General Manager's Performance Review Agreement for 2022 be endorsed.***

**(Furry/Frost) 182**

FOR: Councillors G Frost, N Furry, A Harker, J Jones, M McManus, M Reid and K Turner

AGAINST: Nil

All staff returned to the Meeting at 5.05pm.

**13.2 YASS WATER TREATMENT PLANT UPGRADE FUNDING SCENARIOS - IMPACT ON  
TYPICAL RESIDENTIAL WATER BILLS**

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**SUMMARY**

In December 2020 an update on progress of the Yass Water Treatment Plant Upgrade Project was provided to Council. This report was provided in May 2021 and identified a single scenario. Council determined that for different funding scenarios, impacts on local household water charges be reported back to Council with sensitivity analysis conducted on the financial modelling.

This report provides results of financial modelling and the impacts to the typical households.

**RESOLVED that the results of the financial modelling be noted.**

**(Furry/Reid) 182**

FOR: Councillors G Frost, N Furry, A Harker, J Jones, M McManus, M Reid and K Turner

AGAINST: Nil

**Motion**

**RESOLVED that the report associated with Item 13.2, with the exception of the Attachment, be made public.**

**(McManus/Furry) 1833**

FOR: Councillors N Furry, A Harker, M McManus, M Reid and K Turner

AGAINST: Councillors G Frost and J Jones

Foreshadowed Motion

*The report associated with Item 13.2, with the exception of pages 9-10 of the Attachment, be made public.*

*(Frost)*

*Note:*

*The report Item 13.2 considered in Closed Council is included as an attachment to these Minutes.*

***RESOLVED that the meeting move into Open Council.***

***(Furry/Reid) 184***

FOR: Councillors G Frost, N Furry, A Harker, J Jones, M McManus, M Reid and K Turner

AGAINST: Nil

Open Council resumed at 5.16 pm.

***RESOLVED that the recommendations in Closed Council be adopted.***

***(Reid/McManus) 185***

FOR: Councillors G Frost, N Furry, A Harker, J Jones, M McManus, M Reid and K Turner

AGAINST: Nil

The meeting closed at 5.17 pm.

## 13.2 YASS WATER TREATMENT PLANT UPGRADE FUNDING SCENARIOS - IMPACT ON TYPICAL RESIDENTIAL WATER BILLS

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### SUMMARY

In December 2020 an update on progress of the Yass Water Treatment Plant Upgrade Project was provided to Council. This report was provided in May 2021 and identified a single scenario. Council determined that for different funding scenarios, impacts on local household water charges be reported back to Council with sensitivity analysis conducted on the financial modelling.

This report provides results of financial modelling and the impacts to the typical households.

### RECOMMENDATION

*That the results of the financial modelling results be noted.*

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### FINANCIAL IMPLICATIONS

There are no direct financial implications of this report. It provides analysis of potential funding scenarios over the next 30 years for the Water Account. Any financial decisions to progress any project highlighted in the analysis will be the subject of a separate report to Council.

### POLICY & LEGISLATION

- *Local Government Act 1993*

### REPORT

#### 1. Introduction

Results of financial modelling of the Water Account based on the identified development needs were presented to Council at its May 2021 meeting. Council resolved to request a report on sensitivity analysis of these based on the investment rates, loan interest rates and the inclusion of the development of an alternate water source.

PWA was engaged to carry-out the financial modelling and sensitivity analysis. The results including the investment scenarios are provided in **Attachment A (remains confidential as per Council resolution)**.

#### 2. Key Assumptions for financial modelling and sensitivity analysis

Financial modelling was carried-out using NSW Financial Planning Model (FINMOD) with the following key assumptions or base data.

- **Growth rates**

Assessment Growth Rate

- For the first 10-year period: 1.2% per year
- For the second 10-year period: 1.1% per year
- For the final 10-year period: 1.0% per year

Long term Average Assessment Growth Rate: 1.1% per year

Growth rates are based on the historical growth of water connections. It is the baseline adopted in the Integrated Water Cycle Management (IWCM) Strategy which is under preparation. Two growth scenarios are adopted in the IWCM namely baseline and aspirational (high growth). For the purpose of financial modelling baseline growth which is conservative is adopted.

- **Financial Data**

Average annual long term inflation rate: 2.5% per year

Annual investment Interest Rate: 5.5% (default) – 2.5% per year adopted

Annual Borrowing Interest Rate: 6.5%pa (default) – 4.0% per year adopted

- **Access Charges**

Access Charge: \$490 per year (20-32 mm water meter size)

User Charge: \$3.50/kL – for 450kL/year or less

\$4.60/kL – Above 450 kL per year

(Based on average residential consumption of 197kL/for 2019/20)

Current water headworks charge (s64 Development Charges) for Water Supply (2020/21): \$14,386/ET

Development charges revenue of \$500K/year is used for modelling.

In 2019/20, average residential consumption was 197kL. TRB for water is \$1,180 in 2020/21.

- **WTP Upgrade Funding Scenarios**

Total cost of Stage 2 and 3 is based on \$29 million expended over three years. Subsidy is:

	Estimated Capital Cost (\$'000)			Total (\$'000)
	2022/23	2023/24	2024/25	
WTP Upgrade Stage 2&3	9,000	10,000	10,000	29,000
Subsidy at:				
- 50% of capital cost	4,500	5,000	5,000	14,500
- 75% of capital cost	6,750	7,500	7,500	21,750

- **Other Major Projects**

Costs of major projects considered in the 30-year horizon are listed in the table below and are in current dollars.

Other Major Projects	Year Planned	Estimated Cost
Yass to Murrumbateman Water Transfer	2021	\$2.585 million
WTP Upgrade – Stage 1	2021-22	\$3.715 million
Additional Water Source	2036-2041	\$59 million
Bowning-Binalong pipeline duplication	2040-43	\$4 million

**3. Impact on Typical Residential Bills (TRB)**

Results of the modelling including the Additional Water Source are summarised below.

TRB for	First 14 years (2020/21\$ p.a.) until 2034/35			Next 15 years (2020/21\$ p.a.) 2035/36 onwards		
	0% subsidy	50% subsidy	75% subsidy	0% subsidy	50% subsidy	75% subsidy
Borrowing Interest Rates						
1%	1,400	1,270	1,180	1,280	1,180	1,180
2%	1,415	1,270	1,180	1,280	1,180	1,180
6%	1,480	1,270	1,180	1,480	1,270	1,180
4%	1,480	1,270	1,180	1,480	1,270	1,180

**4. Impact on TRB without future investment for Additional Water Source**

If the Additional Water Source is not pursued the TRB will likely reduce to about \$1,000 after 2035 as no additional major project or expansion funding would be needed. While this reduces the TRB it will result in the inability to expand the water supply network from about 2035-2040 onwards.

**5. Discussion**

The cost estimate for the Water Treatment Plant upgrade will be revised based on the option to be finalised following the results of Peer Review on Stage 2. However, the sensitivity analysis demonstrates that there there is a marginal difference (in the order of \$80 for the expected worst case) in TRB based on the low interest rates currently and the biggest impact will be achieved through seeking the highest government subsidies.

**STRATEGIC DIRECTION**

- Key Pillar                                    4.            Our Infrastructure
- CSP Strategy                            IN5 -        Ensure high quality water supply options for the towns in the region
- Delivery Program Action IN5.1 -    Council to supply quality water, cater for growth and quality enhancements that addresses the community needs
- Operational Plan Activity IN5.1.1-   Council to supply quality water, cater for growth and quality enhancements that addresses the community needs