

13th December 2011

TO EACH MEMBER OF DONEGAL COUNTY COUNCIL

I hereby give notice in accordance with Section 103 and Paragraph 5 of Schedule 10 of the Local Government Act, 2001 that the Budget Meeting of Donegal County for the financial year 1st January – 31st December 2012 will be held at **10.00am on Wednesday 21st December, 2011** in the Training Room, County House, Lifford.

You are hereby summoned to attend this meeting.

Furthermore, please find enclosed, at the request of the County Manager, copy of the Draft Local Authority Budget 2012, including Statutory Tables A, B, and C, together with reports outlining the provisions of the Draft Budget, in compliance with Section 103 (4) (b) of the aforementioned act.

Yours sincerely,

L. Ward
A/Meetings Administrator

MINUTES OF BUDGET MEETING OF DONEGAL COUNTY
COUNCIL, HELD IN THE COUNTY HOUSE, LIFFORD ON 21st
DECEMBER, 2011

C/528/11 MEMBERS PRESENT

Clrs. Noel McBride, Mayor, D. Alcorn, L. Blaney, J. Boyle, C. Brogan, B. Byrne, J. Campbell, P. Canning, G. Crawford, M. Doherty, P. Doherty, R. Donaghey, M. Farren, M.T. Gallagher, M. Harley, C. Harvey, D. Larkin, F. McBrearty, M. McBride, S. Mc Eniff, I. McGarvey, P. McGowan, B. Mc Guinness, J. Murray, S. Ó Domhnaill, B. O'Neill, M. Quinn, J. Ryan.

C/529/11 OFFICIALS IN ATTENDANCE

Mr Seamus Neely, County Manager, Mr Garry Martin, Head of Finance and Director of Emergency Services Mr Liam Ward, Director of Housing and Corporate, A/Meetings Administrator, Mr John McLaughlin, Director of Roads and Transportation, Mr Joe Peoples, A/Director of Water and Environment, Mr Michael Heaney, Director of Community Culture & Planning, Ms Anne Marie Quinn, Administrative Officer, Ms Miriam Bonner, Assistant Staff Officer, Ms Anne Marie Crawford, Staff Officer, Corporate Services.

C/530/11 ADOPTION OF DONEGAL COUNTY COUNCIL DRAFT
LOCAL AUTHORITY BUDGET 2012

The Mayor welcomed the County Manager, Staff, Elected Members and the assembled press to the meeting. He advised that there had been particular challenges in preparing the 2012 Budget and many obstacles to overcome over the coming financial year. He outlined the necessity of fostering and retaining a positive economic attitude.

A report outlining details of the County Manager's address, and presentations by the Head of Finance and the various Directors of Services was circulated prior to the meeting.

C/531/11 COUNTY MANAGER'S ADDRESS

The County Manager acknowledged the contribution of all involved in the preparation of the 2012 Budget. There had been he noted been a considerable strain on the Council's resources

over the past year in terms of the severe weather, gorse fires and recent incidences of flooding. It was he noted of particular significance that the Council was going into 2012 with no additional revenue deficit, a feature directly attributable to the dedicated approach taken in 2011 to the management of collection accounts and the manner in which the cash position had been managed throughout the year.

Cognisance had he noted been taken of the following in the preparation of the Draft Budget:-

- Maximising delivery of core responsibilities
- Limitations of Local and National Revenues.
- Delivering further efficiencies.
- Sustaining a framework of Affordability
- Achieving compliance.

The Council as a corporate entity he advised had an obligation to focus on the positives whilst making a concerted effort to work with businesses to increase competitiveness thus maximising income collection in the long term with minimum impact on local revenue bases.

The County Manager proceeded to provide a breakdown of anticipated expenditure for 2012 together with an overview of the income to be generated over the ensuing period.

A comparison of the previous five year expenditure figures was presented together with a review of the movement in staff numbers from 2008 to 2012 and associated changes in the payroll bill for this period.

An assessment of the key considerations in balancing income and expenditure was provided and included an analysis of expenditure by item.

He acknowledged that there would be major challenges involved in delivering the 2012 work programme if an affordable and sustainable level of service was to be maintained countywide.

Key considerations were deemed to be:-

1. Building on the considerable assets already in place.
2. Providing support for job creation.
3. Recognition of the potential and contribution of DCC Staff.

In conclusion it was confirmed that total expenditure for the year would be €148,223,846 with income from state grants, water charges and other items amounting to €90,525,267. This it was established left a net requirement of €57,698,597 to be found with €3,445,838 coming from the Local Government Fund and €2,939,944 raised through the County Charge. Thus the County Manager advised that the amount to be levied from Commercial Rates was €21,312,797 representing an Annual Rate Multiplier on Valuation of €9.70 for 2012.

C/532/11 PRESENTATION BY HEAD OF FINANCE

Mr. Garry Martin, Head of Finance outlined the relevant legislation pertaining to the holding of a Local Authority Budget Meeting and the Three Year Capital Programme. This was accompanied by an overview of the financial issues for Income and Expenditure in relation to balancing the 2012 requirement together with an analysis of how the 2012 figures related to 2011 and the changes therein, together with overview of the strategies implemented to balance the 2012 Draft Budget as required.

Details were provided also in relation to the various strategies and analyses required to manage costs and deal with income shortfalls/income adjustments etc required as a result of the current economic climate.

Members were informed that the Three Year Capital Budget 2012-2014 would be considered at a meeting of the Elected Council in March/April 2012.

The Head of Finance proceeded to outline the various adjustments made to bridge the gap in the 2012 Draft Revenue Budget, highlighting where appropriate the requirements for each Directorate. An overview of the various sources of

funding for the 2012 requirement was provided together with an in depth analysis of same.

He drew Members attention to the fact that there was a zero increase on the 2011 Multiplier on Valuation of €69.70.

C/533/11 PRESENTATIONS BY DIRECTORATES

Presentations were then made, successively, by the Directors of Housing and Corporate, Roads & Transportation, Water & Environment, Community Culture & Planning, Finance & Emergency Services.

A detailed overview of the budgetary provision for each service was provided.

The Mayor thanked the County Manager and the Members of the Senior Management Team for the detailed and informative presentations.

C/534/11 ADJOURNMENT FOR LUNCH

On the proposal of Clr. Brogan, seconded by Clr. Mc Brearty, it was resolved to take a one hour lunch break at 1.40pm.

C/535/11 FURTHER ADJOURNMENT OF MEETING

On resumption of the Meeting, Clr. Brogan proposed, seconded by Clr. Mc Guinness, to adjourn the meeting to 3.00pm.

C/536/11 ADDRESS BY PARTY GROUPINGS

Reconvening the meeting the Mayor confirmed that commentary in relation to the budget would be confined to one speaker from each Political Grouping.

Clr Brogan on behalf of Fianna Fail acknowledged the considerable effort that had gone into the preparation of the 2012 Budget. There were he advised many challenges facing the Council at this juncture. Members he affirmed had grave concerns in relation to a number of issues namely:-

- The cost of loan repayments and the staff wage bill.

- That the discretionary spend for the Elected Members had been considerably reduced.
- The €1,000,000 cut in roads expenditure.
- Reduction in Housing Maintenance funding.
- Cuts in Disabled Persons Grants and Essential Repair Grants affecting the most vulnerable in society.

Clr. Brogan said that there was insufficient funding provided for basic services at this juncture, and noted that the public were becoming increasingly frustrated with increases in car parking charges and volumetric water charges. The business community he advised required additional support and assistance at this time. He asked for further clarification in relation to this issue. There was also disappointment at the lack of support for the tourism industry.

Concern was expressed in relation to staffing shortages and the non provision of basic services across the decentralised network.

Thus he advised that the Fianna Fail Grouping could not support the budget proposals in their current format.

Clr O' Neill thanked the County Manager and the Executive for their efforts in addressing the Unfunded Capital Balance of €48.6m together with and efficiencies and savings to the tune of €4m which had been generated in 2011. The 2012 budgetary provisions he confirmed presented many challenges with income levels significantly reduced, however it was essential he added that the restructuring process continued to allow Donegal County Council get back on track.

There were he advised a number of proposals which he advised warranted further consideration. These included:-

- The reduction of €1m for Roads Projects.
- The proposed Commercial Water and Wastewater increases of 15 cents and 5 cents.
- The €2.5m reduction in funding for the Community & Enterprise Section.

- Reduction of €7000 for tourism promotion.
- Decrease in the allocation for unfinished estates.
- The €240,000 reduction in the Development Fund Initiative.
- Lack of central funding for Arts Centres such as the Balor Arts Centre and the Abbey Arts Centre in Ballyshannon.
- Proposed reduction in the Member's Development Fund.
- Rental of Private Property.
- The necessity of promoting industrial and commercial lands and building acquired by DCC from the IDA over 3 years ago in Buncrana, Donegal Town, Milford, and Ballyshannon in order to generate employment and revitalise these industrial/commercial locations. Members enquired also as to the commitment of match funding from the IDA to regenerate these industrial estates.
- Opposition outlined in relation to the introduction of Car Parking charges in the towns listed in P61 (yellow pages) of the Budget Book.
- Concern expressed re the outdated bye-laws relating to Casual Trading.

Information was requested in relation to the rental of property from the private sector with a request for details of same to be circulated to the Elected Members.

A call was made for the more efficient use of office space in the Public Service Centres.

Clr. O' Neill proposed the following:-

- That a process be initiated through the Electoral Area Meetings System, whereby problems arising in relation to Unfinished Estates be immediately brought to the attention of the Director of Service and addressed through the Electoral Area Meeting process.
- That the Community Assistance Programme be restored to a sufficient level of funding to allow infrastructural roads projects to go ahead.

- That a Value for Money Committee be established regards the further management of costs, and the best standards as regards procurement and tendering.
- The need for a social clause in future contracts with the private sector so as to ensure that both employment and materials are sourced locally within the County.
- That the Development Fund Initiative be set at €500,000(€100,000 per EA)
- Members Development Fund Initiative be retained at the current level of €184,000.
- That the €100,000 allocation for An Grianan Theatre be distributed to 1.) An Grianan Theatre, 2.) Balor Arts Centre, and 3.) Abbey Arts Centre, Ballyshannon.
- That support be given to businesses in the following towns, Ballybofey/Stranorlar, Donegal Town and Ballyshannon where car parking charges are implemented at present. This to be implemented as follows:-
The first half hour of parking “on -street” to be free of charge.
- That an “Islands Fund” be created in 2012 to be allocated by the Islands Committee with Council approval and administered by the Community & Enterprise Department.
- That funding of €20,000 be restored to Buncrana Leisure Centre from €40k to €60k.
- An urgent meeting be sought with Failte Ireland North-West to discuss the lack of Councillor representation on its Management Board.
- The need for a “Town Centre Business Rates Initiative” to be initiated in order to revitalise Town Centres.

Thanking the Management and Staff for their work across all Departments in 2011, Clr. O’ Neill expressed satisfaction with the work done carried out to date in relation to debt management. He acknowledged the provision of €170,000 for road safety and the fact that there would be no external consultancy costs to the Council in 2012. The retention of the Housing Adaption Grant at the same level of funding as 2011 was widely welcomed.

Clr Quinn applauded the trojan effort that had gone into the preparation of the budget acknowledging that many of the decisions taken were directly related to cuts in government funding, with the scene being set for the next three to four years.

Major issues of concern were:-

- The forthcoming 2% VAT increase and its inevitable effect for businesses in the County, thus leading to reduced income overall for the Council.
- Unrealistic reduction in Roads Maintenance monies.
- Concern in relation to the reductions in the Development Fund Initiative and the Members' Development Fund.
- The impact of the Septic Tank Charge and the Household Charge on low income households and the long term effect on the local economy.
- Need to address the problem of unfinished estates and the revenue implications for this Council in terms of mechanical plant etc.

Clr. Quinn said that it would not be possible to provide services at an acceptable level in 2012 based on the estimates provided. Sinn Fein he advised could not support the budget based on current figures and he thus called on his Fine Gael colleagues to impress upon Minister Hogan the need for increased funding for Donegal.

Clr Mc Brearty on behalf of the Labour Party called for a collective assessment of the situation and urged all present to work towards adopting the 2012 budget.

The following issues he noted were of major concern:-

- The €1m reduction in roads monies. It was suggested that additional grant aid be sought to offset this reduction in funding.
- Reduction in the Development Fund Initiative and the Members' Development Fund.

- Concern re the proposed increase in commercial water charges.
- The underfunding of the Balor Theatre in Ballybofey.
- The fate of income generated from car-parking charges in Ballybofey.

He stated that he was not in favour of the new Septic Tank/ Household Charges but urged people to pay on the basis that every effort be made nationally to ensure that those who can't pay won't have to.

He welcomed the proposals for an Islands Fund and cited the importance of protecting the Development Fund Initiative. Overall he noted that a rate cut would affect big businesses only and thus called for the initiation of a three tier commercial rate system.

Clr Mc Garvey representing the Independent Grouping expressed concern in relation to the following:-

- Reduction in funding for the Development Fund Initiative and the Members' Development Fund.
- The reduction of roads monies.
- The large bill for Council Staff Pensions, a feature which he advised warranted funding by central government.
- The €2.6m reduction in the Local Government Fund.
- Lack of funding for tourism.
- Need to reassess needs of the elderly particularly in relation to housing grants and the provision of S.I Housing.

He called for Donegal County Council to liaise with the Oireachtas Members and local MEPs with the aim of sourcing additional funding from areas such as the Innovation and Research Fund.

Clr McGarvey advocated a 3% reduction in commercial rates advising that this would benefit the entire business community.

On the proposal of Clr. Alcorn, seconded by Clr. Murray, it was resolved to adjourn the meeting until 5.00pm. to further consider the 2012 budgetary proposals.

C/538/11 SUSPENSION OF STANDING ORDERS

On the proposal of Clr. Alcorn, seconded by Clr. Murray. it was resolved in accordance with Standing order No. 29 to suspend Standing Order No 3 to allow for the continued consideration and discussion of the 2012 Budget proposals.
after 6.00pm

C/539/11 FURTHER ADJOURNMENT OF MEETING

- Clr Brogan proposed, seconded by Clr.O' Domhnaill, that the meeting be further adjourned to 6.00pm.
- Clr. N. Mc Bride proposed, seconded by Clr. Farren, that the meeting be adjourned to no later than 5.30pm.
- Clr. Gallagher subsequently proposed, seconded by Clr. Mc Gowan that the meeting be adjourned until 5.45pm.

Clr. Brogan agreed to withdraw his proposal and a show of hands was taken in relation to the latter.

This resulted in 10 voting for Clr. Mc Bride's proposal to adjourn until 5.30pm and 16 voting in favour of Clr. Gallagher's proposal to adjourn proceedings until 5.45pm.

The meeting was then adjourned to 5.45pm.

C/540/11 FURTHER ADJOURNMENT OF MEETING

On the proposal of Clr. Crawford, seconded by Clr. Campbell, it was agreed to adjourn the meeting until 6.00pm.

C/541/11 CONSIDERATION OF BUDGETARY PROPOSALS.

Clr. O' Neill thus proposed, seconded by Clr. Mc Brearty, that the 2012 Draft Revenue Budget be adopted subject to the following conditions:-

1. The Member's Development Fund remain at €145,000
2. That €500,000 be provided for the Development Initiative Fund with the remaining €40k divided equally

between a new Islands Fund and Buncrana Leisure Centre.

Clr. Brogan advised that there was a clear lack of clarity in relation to a number of issues and that as a result the Fianna Fail Grouping could not support the 2012 Budget proposals. He asked that the meeting be adjourned to 12noon on the 4th January, 2012 to allow for further consultation.

Clr. Quinn seconded the motion.

After some debate in relation to the holding of the meeting on the 4th January 2012, Clr O' Neill advised that he was withdrawing his motion.

Clr. Brogan then proposed, seconded by Clr. Quinn, that the meeting be adjourned to 12 noon on the 9th January, 2012

A further proposal by Clr. McGuinness, seconded by Clr. M. Doherty, called for the meeting to be postponed until the 10th January, 2012 at 10.00am.

A show of hands was taken by the A/Meetings Administrator

The result was as follows:-

13 voted in favour of holding the Adjourned Budget Meeting on the 10th January, 2012 at 10.00am.

11 voted in favour of holding the Adjourned Meeting on the 9th January, 2012 at 12. Noon.

The Mayor thus declared the Annual Budget Meeting adjourned to 10.00am on Tuesday 10th January, 2012.

C/542/11 VOTE OF CONGRATULATIONS

On the proposal of Clr. Harley, seconded by Clr. Mc Garvey, congratulations was extended to Clr Barry O' Neill on his forthcoming wedding.

This concluded the business of the Meeting.

Certified: _____
Mayor.

Date: _____