

**MINUTES OF ADJOURNED BUDGET MEETING OF DONEGAL
COUNTY COUNCIL, HELD IN THE COUNTY HOUSE, LIFFORD
ON 7th JANUARY, 2014.**

C/18/14 MEMBERS PRESENT

Clrs. I. McGarvey, Mayor, D. Alcorn, L. Blaney, J. Boyle, C. Brogan, B. Byrne, J. Campbell, P. Canning, G. Crawford, G. Doherty, M. Doherty, P. Doherty, R. Donaghey, M. Farren, M. T. Gallagher, M. Harley, D. Larkin, F. McBrearty, M. McBride, N. McBride, S. McEniff, P. Mc Gowan, B. Mc Guinness, S. O' Domhnaill, B. O' Neill, M. Quinn, J. Ryan and T. Slowey.

C/19/14 OFFICIALS IN ATTENDANCE

Mr Seamus Neely, County Manager, Mr Liam Ward, Director of Housing and Corporate, Meetings Administrator, Mr. John McLaughlin, Director of Roads & Transportation, Mr Garry Martin, Head of Finance and Director of Emergency Services, Mr Joe Peoples A/Director of Water and Environment, Mr Eunan Quinn, A/Director of Community, Culture and Planning, Mr Bartley Mc Glynn Senior Executive Officer, Mr. Brian Boyle, Head of Information Systems, Ms Anne Marie Conlon, Communications Officer,

**C/20/14 CONSIDERATION OF 2014 DRAFT REVENUE
BUDGET**

On opening the meeting, the Mayor welcomed the County Manager, Members of Staff, Elected Members and representatives from the various media organisations to the meeting. He noted that the meeting had been adjourned from the previous day and he invited Members to recommence the process of attempting to reach a consensus on the Budget for 2014.

Clr. Campbell requested that Fine Gael withdraw the proposal presented the previous evening as, in his view, it was not a balanced proposal as required under the various regulations and circular letters relating to the Budget process.

Clr. Brogan stated that Fianna Fail had presented a document to Management the previous day and were awaiting clarifications thereto. He queried as to when the Water Services Bill had been signed into law and also requested a copy of this legislation and a copy of the Service Level Agreement (SLA) entered into between Donegal Co. Council and Irish Water, and queried when the SLA had been signed.

Clr. Campbell again requested Fine Gael to withdraw the proposal tabled the previous day stating that they had an obligation to do so.

Clr. McGuinness, in response, stated that there was no intention to withdraw the proposal. He indicated that the purpose of the proposal was to identify a number of areas where, in consultation and negotiation with the Executive and other Parties, it may be possible to make amendments to the draft Budget book that would receive the support of the majority of Elected Members. He said it was custom and practice down through the years in Budget meetings to present such proposals and this was no different. Clr. McGuinness proceeded to go through the various items that made up the Fine Gael proposal and advocated why they should be supported.

Clr. Gary Doherty referred to the Fine Gael proposals as a 'Wish List' and claimed that they did not represent a balanced proposal that the Members could seriously consider.

Clr. McGuinness rejected Clr. Doherty's comments and stated that the putting forward of proposals was in keeping with the practice that had been in place over many years in Donegal.

Clr. Farren stated that he had developed proposals which were broadly in line with the proposals tabled by Fine Gael. He referred in particular to the proposed decrease in Rates, the proposed increase in the Development Fund Initiative, the proposed increase in the Members Development Fund and requested a

commitment on the retention of services in the Public Services Centres. He added that he had full confidence in the County Manager and his team and suggested that common sense should prevail and a Budget be adopted.

C/21/14 ADJOURNMENT OF MEETING

Clr. Brogan stated that in view of some personal remarks being made across the chamber that he was proposing an adjournment of the meeting for 10 minutes. This proposal was seconded by Clr. McEniff, and it was resolved to adjourn the meeting for 10 minutes

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On resumption, the Mayor requested all Members not to be making personal or indeed other remarks across the Chamber. He stated that the snide comments must stop and that when an Elected Member was addressing the chamber, he/she should be allowed to do so without interruption. He called upon Party Whips to come together to adopt the Budget.

Clr. Brogan stated that the Fianna Fail position had been very clear from the outset. He said that the party had supported the Budgets down through the years no matter who was in the position of Mayor. He again stated that they had presented a document to Management on which they needed clarifications. He again requested a copy of the Water Services legislation and also the SLA. He also asked when the President had signed the Bill into law.

Clr. O'Neill stated that the proposals from Fine Gael as detailed earlier by Clr. McGuinness were a genuine attempt to ascertain whether subject to negotiations a basis existed to agree the adoption of the Budget. He noted that the proposals were broadly similar to those of Clr. Farren of the Labour Party. He asked that the proposals be circulated and time allowed for further discussion.

In response to the clarifications requested by Clr. Brogan, the County Manager confirmed that the Water Services Act has been signed into law by the President on 25th December, 2013. He added that certain sections of the Act came into effect on 31st December, 2013. He confirmed that the Act contained significant provisions including the transfer of the Water Services function to Irish Water and the progressive transfer of Water Services assets from Local Authorities to Irish Water. He also confirmed that the SLA had been signed on 31st December, 2013.

Clr. Larkin queried whether or not the SLA was a negotiated document. The County Manager stated that it had been negotiated on behalf of the Local Authorities.

C/23/14 ADJOURNMENT OF MEETING
An adjournment until 4.00pm was proposed by Clr. N. McBride, and seconded by Clr. McGuinness and was agreed.

C/24/14 ADJOURNMENT OF MEETING
On resumption a further adjournment to 5 pm was proposed by Clr. McGuinness, seconded by Clr. McBrearty and was agreed. It was further resolved, on the proposal of Clr. McGuinness, seconded by Clr. McBrearty that in accordance with Standing Order 29, to suspend Standing Order 3 to continue the meeting beyond the normal stopping time of 6 pm. This was unanimously agreed.

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On resumption at 5 pm, the Mayor requested that all Members be present in the Chamber.

The County Manager stated that arrangements had been made to circulate of copy of the Water Services Act to all Elected Members together with a briefing note from Irish Water. He, again, confirmed that Section 31 of the Act had commenced on 31st December, 2013. In relation to the SLA, he stated that

he would consult with Irish Water in relation to the release of a copy to all Members but advised that a copy was available should any Member wish to peruse same.

Clr. Larkin indicated that he wished to have the opportunity to comment on the documentation that had been circulated. He stated that he was very concerned in relation to the transfer of assets to Irish Water and that it was quite clear that this was rushed legislation. He queried the formula used to determine the value of Water Services assets. He raised questions in relation to Irish Water having a commitment to take over non-functioning Treatment plants in the future and also concerns in relation to Irish Water's commitments to rural counties in terms of their 25 year Strategic Plan for developing infrastructure. He said it was most alarming that the new Act removed the need for approval of Elected Members to dispose of assets to Irish Water. Clr. Larkin continued by saying that this was a 'bad deal' for the people of Donegal. He said it was wrong to proceed with the transfer of assets to Irish Water in the absence of any commitment in relation to the take over of failing treatment plants. He concluded by saying that the Council should meet with Irish Water at the earliest possible opportunity

Clr. Gallagher stated that she had raised concerns in relation to Irish Water over six months ago. She stated that the Budget Book should not be adopted until there had been an opportunity to meet with Irish Water. She raised particular concerns in relation to the transfer of assets in the absence of any commitment regarding the transfer of associated liabilities. Clr. Gallagher also stated that it was totally unacceptable that we could not tell the people of Donegal at this stage what they would be charged for water.

Clr. O'Neill, on a point of order, claimed that the points being raised were not related to the adoption of the Budget Book and requested members to return to the consideration of the 2014 Budget proposals.

Clr. Quinn objected to the situation where Clr. Gallagher was not allowed to make her contribution to the meeting without being interrupted.

Clr. McGuinness stated that members needed to return to the consideration of the 2014 Budget. Clr. McGuinness added that other parties had requested that documents be circulated. This had now happened and the Manager had explained the documents. It was now time to return to the Budget deliberations.

Clr. Canning raised the issue of Unfinished Housing Estates and the responsibility for taking them over. He queried where Irish Water's role was in all this. Clr. Canning also raised concerns in relation to Group Water Schemes and the process of applying meters to same.

Clr. Ryan, while acknowledging that Irish Water was a very serious consideration, stated that a considerable amount of the discussion relating to Irish Water was not accurate. Clr. Ryan stated that the legislation which was referenced during the debate had been passed into law by both houses of the Oireachtas and that there was no scope to change same within the Council chamber. He again urged members to return to the Budget considerations.

Clr. M. McBride queried the figures in the Budget Book relating to Unfinished Estates. He stated that he was disappointed with the provision included and queried how the figure relating to the Water Services assets was arrived at.

Clr. O'Domhnaill stated that it was not possible to separate the Irish Water debate from the Budget as they were clearly inextricably linked. Clr. O'Domhnaill asked the following 3 questions:

1. Are the people of Donegal getting the level of services that they need?

2. Is the proper use being made of the money at the disposal of Council?
3. Is the Council getting value for money in all areas of its work?

Clr. O'Domhnaill claimed that he was not in a position to have confidence in answering these questions. He further raised concerns in relation to the roads network, water services assets, and the Development Contribution Scheme.

The County Manager responded to the queries raised.

C/26/14

ADJOURNMENT OF MEETING

An adjournment until 6.50 pm was proposed by the Mayor and seconded by Clr. Crawford and was agreed.

C/27/14

CONSIDERATION OF 2014 DRAFT REVENUE BUDGET

On resumption at 6.50 pm, the Mayor again requested that all Members be present in the Chamber.

Clr. Campbell requested some clarity from the County Manager in relation to the proposals as tabled by Fine Gael.

In response, the County Manager confirmed that no proposals had as of yet been presented that represented a balanced option upon which the Budget could be adopted.

Clr. Campbell again requested Fine Gael to withdraw their earlier proposal and queried whether or not it was in order to present other proposals at this time as the Fine Gael proposal had not been disposed of.

Clr. O'Neill reiterated the Fine Gael position stating that they were happy to work with other parties and the Executive to see if an agreement could be reached on adopting the 2014 Budget.

Clr. McBrearty stated that the proposals from Fine Gael did represent an opportunity for negotiation with other parties. He stated that the discussions to date appeared to be just going round in circles and that it was necessary to get down to the business before the Council.

Clr. Farren appealed to all members for common sense to prevail, adding that there was a duty on the Members to adopt a Budget for 2014.

Clr. Brogan stated that the Fianna Fail position had been consistent the whole way through the Budget discussions to date. He added that there has been no clarity in relation to Irish Water. Clr. Brogan claimed that the legislation was ‘rammed’ through the houses of the Oireachtas with local Management forced to sign the Service Level Agreement on 31st December, 2013. He confirmed that Fianna Fail were not in a position to support the budget because the Council is not clear on what services we will be responsible for. Clr. Brogan cited a number of services such as Driving Licences, Higher Education Grants which have already been taken away from the responsibility of the Council. He added that the position was very unclear in relation to Group Water Schemes. Clr. Brogan concluded that it was time for the members to stand together and say ‘enough is enough’.

Clr. McGuinness requested an adjournment to allow for further discussion with the County Manager.

Clr. Slowey added that there were no proposals tabled by any other party and that it was time to stop the ‘play acting’ and get down to the serious business of adopting the Budget.

Clr. Gallagher claimed that the number of rate payers in the County had increased from 4700 to 92000 and that there was no way that Sinn Fein could support this.

An adjournment until 8.55 pm was proposed by the Mayor, seconded by Clr. McGuinness and was agreed.

C/29/14

ADJOURNMENT OF MEETING

On resumption at 8.55 pm, a further adjournment until 9.00 pm was proposed by Clr. McGuinness and seconded by Clr. Farren. This was agreed.

C/30/14

ADJOURNMENT OF MEETING

On resumption at 9.00 pm, a further adjournment until 9.30 pm was proposed by Clr. McGuinness and seconded by Clr. N. McBride. This was agreed.

C/31/14

ADJOURNMENT OF MEETING

On resumption at 9.30 pm, a further adjournment until 10.00 pm was proposed by Clr. N. Mc Bride and seconded by Clr. Boyle. This was agreed.

C/32/14

ADJOURNMENT OF MEETING

On resumption at 10.00 pm, a further adjournment until 11.00 pm was proposed by Clr. N. Mc Bride and seconded by Clr. Ryan. This was agreed.

C/33/14

ADJOURNMENT OF MEETING

On resumption at 11.00 pm, a further adjournment until 11.35 pm was proposed by Clr. N. Mc Bride and seconded by Clr. Ryan. This was agreed.

C/34/14

CONSIDERATION OF 2014 DRAFT REVENUE BUDGET

On resumption at 11.35 pm, the Mayor again requested that all Members be present in the Chamber.

Clr. O'Neill, on behalf of Fine Gael, Labour and Independent Councillors M. Mc Bride, P. O'Dochartaigh, F. McBrearty and I. McGarvey, formally proposed the adoption of the draft Revenue Budget for 2014 as presented in the draft Budget Book subject to the following:

1. 2 % Reduction in the Commercial Rates
2. Members Development Fund to be increased by a total of €32,000, which would result in €7,500

being available to each Elected Member to allocate to Community and Voluntary organisations.

3. The Development Fund Initiative to be increased to a total of €120,000 per Electoral Area, which is an increase of €20,000 per Electoral Area.
4. That Donegal Co. Council support the ongoing Government Review of the Commercial Rates System and continue to campaign to seek exemptions for Small Businesses and Start Up Businesses.
5. Proposal to include a new small Repair Fund to be introduced to assist with repairs to LIS Roads. Total fund of €100,000 - €20,000 per Electoral Area. This is to be cost neutral.
6. Proposal that the Donegal Brand Initiative be introduced in 2014 to protect Donegal Producers.
7. Proposal to introduce a Marketing Tourism Fund of €100,000, to be centrally administered countywide.
8. Proposal that the Donegal GAA Centre of Excellence receives an allocation of €25,000.
9. That the income required to match the proposed amendments to the draft Budget to be financed by maximising the accrual potential on Collection Accounts therefore aiming to build on the improvements achieved over the last two years. Total sum €487,410.

Clr. McGuinness formally seconded the adoption of the Budget based on the proposal as outlined by Clr. O'Neill. Clr. McGuinness added that it would be very wrong of the Members in Donegal Co. Council not to adopt the Budget.

Clr. Campbell stated that he was at a loss to understand the proposals as presented. He queried where the proposed LIS Repair fund would be coded within the accounts. He stated that the proposal to allocate €25,000 to the GAA Centre of Excellence may actually decrease the amount of overall funding this initiative had received from Donegal Co. Council in previous years. Clr. Campbell continued by saying that he had informally discussed three separate proposals

which overall would have cost less and that he had been advised that the options were not feasible. He concluded that the discussions over the three days to date had become very political and that it was clear that a number of members had not read the Budget Book.

Clr. Brogan thanked the Mayor stating that he had been most courteous to all members over the three days of the Budget meetings to date. He added that in their submission to Management that Fianna Fail had been seeking the following:

1. 5% reduction in Commercial Rates
2. Increased funding for Housing Maintenance
3. Retrofit Grant Scheme to install Back Burners / Stoves
4. Increased funding for Roads Maintenance

Clr. Brogan stated that overall funding from the National Roads Authority to Donegal Co. Council had been reduced and that there were far too many unknowns in relation to Irish Water. He added that the control and discretion for Local Authorities was now gone and that Fianna Fail were not in a position to support the proposal as outlined and he asked all members to stand together for the people of the County.

Clr. Quinn provided a summary of the Sinn Fein position in relation to the Budget, reflecting in particular on the following points:

1. Number of Rate Payers had increased in the County by 88,000.
2. We were handing over valuable assets to Irish Water.
3. We were facing the imposition of Water Charges
4. The Council was forced to make cuts to the 2013 Budget of the order of €2.75 M
5. Staff of the Council being continually asked to do more with fewer resources.
6. Worst crime of all is Emigration

7. That Donegal has the worst infrastructure in Ireland
8. That Roads in the County were in a poor state
9. That Donegal has the highest unemployment rate in the Country.
10. That the opportunity to avail of a 3rd Level Education was becoming a privilege and not a right.

Clr. Quinn continued by saying that there may be consequences for the Council in not adopting a Budget but that 'Enough is Enough'

Clr. Farren stated that he was proud to support the adoption of the Budget as proposed. He called on all members to act responsibly and thanked Management for all their work in supporting the members through the three days of the Budget Meetings.

Clr. M. McBride queried why Letterkenny Town Council had passed its Budget with unanimous support of all parties. He added that he felt the same issues were at play and in particular the issue of Irish Water.

Clr. McBrearty confirmed that he was happy to support the Budget as proposed. He thanked the Executive for all their work and acknowledged the good working relationship that existed in that regard.

Clr. Larkin stated that not to support the budget was the most difficult decision that he had faced since his time on the Council. Clr. Larkin cited a number of reasons to support his decision as follows:

1. Powers / Services being removed from Local Authorities.
2. LGF allocation insufficient.
3. Roads in particular in very poor state.
4. Unfinished Housing Estates and in particular failing mechanical plant.

5. Allocation from National Roads Authority reduced.
6. Lack of clarity around Irish Water.

Clr. Larkin stated that there were insufficient provisions with the budget proposals to deal with these issues. He added that the Service Level Agreement with Irish Water may present a short term gain but that it was not a good deal in the medium to long term.

Responding to Clr. M. McBride's point in relation to the adoption of the budget in Letterkenny Town Council, Clr. Larkin offered the opinion that all members were happy to support that budget as it was clearly evident that the input of the Elected Members had been taken on board.

In bringing this discussion to a close, the Mayor stated that he had treated all Members fairly at all times. He had allowed everyone a full opportunity to have their say. He was now going to proceed to put the proposal to the floor.

On the proposal of Clr. Mc Guinness, seconded by Clr. Mc Brearty, it was resolved to take a recorded vote on the proposals from Fine Gael, Labour and Independent Councillors M. Mc Bride, P. O'Dochartaigh, F. McBrearty and I. McGarvey.

This resulted in 13 voting for with 15 against.

Those voting in favour included:-

Clrs Boyle, M. Doherty, P O'Dochartaigh, Farren, Harley, McBrearty, M. McBride, N. McBride, McGarvey, McGuinness, O'Neill, Ryan, Slowey.
(13)

Those voting against included:-

Clrs. Alcorn, Blaney, Brogan, Byrne, Campbell, Canning, Crawford, G. Doherty, Donaghey, Gallagher, Larkin, McEniff, Mc Gowan, O'Domhnaill, Quinn (15)

The Mayor asked the Meetings Administrator to outline the options now available, if any, to the Council in light of the fact that the proposal to adopt the Budget had been defeated.

In response, the Meetings Administrator advised that he had taken advice from the Council's Law Agent earlier in the evening / night as it was becoming clear that the possibility at least existed that Members would fail to adopt the Budget. As this had now happened, the Meetings Administrator advised that the period for adopting the Annual Budget is set out in Article 4 of the Local Government (Financial Procedures and Audit) Regulations, 2002 (Amendment) Order 2008, SI 467/2008 which states that –

“8. The prescribed period for the holding of a budget meeting by a County Council in respect of a local financial year shall be the 24th of November of the previous year to 13th day of January of the said local financial year.”

He drew the Members attention to Circular Fin 05/2013 within the draft Budget Book which confirmed the prescribed period. The Meetings Administrator added that the budget meeting was fixed for the 18th of December which was within that period. However, he outlined, the members did not agree a budget that day and the meeting was adjourned to Monday, the 6th January. Again, he confirmed, there was no agreement and the meeting was further adjourned to the following day, Tuesday the 7th January 2014. These adjournments, he stated, were governed by Section 103 (6) of the Local Government Act, 2001, which provides that –

“The Members of a Local Authority may adjourn a local authority budget meeting but any such adjournment shall be to a day that is within the

period of 21 days beginning on the day on which the local authority budget meeting first begins”

The Meetings Administrator explained that in the calculation of the 21 day period the 18th of December must be included which meant that the 7th of January was actually the last day of the permitted adjournment period.

Given that the Members had now failed to adopt the Budget within this 21 day period, the Meetings Administrator confirmed that a separate provision in Sub-Section (9) of Section 103 now came into play, which provides as follows:

“Notwithstanding the other provisions of this Section and Section 102, a local authority budget may be adopted and the annual rate on valuation determined in the local financial year to which that budget or that rate applies where this is in accordance with the period prescribed by regulations made by the Minister for holding the local authority budget meeting.”

The Meetings Administrator stated that the end of the prescribed period was actually Monday next the 13th of January. He added that given the provisions of Section (9) of Section 103 as set out above and the following facts:

- The Members tried and failed to adopt the budget on the 18th of December 2013 and
- having adjourned the budget meeting to a date (6th January) within the permitted period under sub-section (6) and then having tried and failed again to adopt a budget on that date
- and having once more adjourned the meeting to a date (7th January) within the permitted period and tried and failed again to adopt a budget:

it remained an option for the Council to proceed to adopt a budget at any time up until Monday next 13th January, 2014.

A number of Members expressed their surprise that it remained an option to meet again for the purposes of adopting the 2014 Budget.

Clr. Quinn expressed a view that there was little point coming back again before 13th January, 2014 as little would have changed in the interim.

Clr. N. McBride called on the Council to avail of this opportunity and proposed that Party Whips of the various grouping should arrange to meet in advance of any further meeting.

On the proposal of Clr. P. O'Dochartaigh, seconded by Clr. Campbell, it was resolved and unanimously agreed to meet again on Monday 13th January, 2014 at 11 am for the further consideration of the draft Budget for 2014.

The Mayor thanked all Members for their participation during the day. He added that he had attempted to treat all members fairly throughout the process and welcomed the opportunity to meet again on 13th January, 2014.

The Mayor concluded the business of the meeting by thanking the County Manager and the Executive and members of the Press, who had remained at the meeting throughout.