

COMHAIRLE CHONTAE DHUN NA nGALL

Oifig Riarthóir na gCruinnithe
Aras an Chontae
LEIFEAR
19 Mean Fomhar, 2017

FOGRA CRUINNITHE

Beidh Cruinniú Speisialta den Comhairle Chontae Dhún na nGall ar siúl Dé Luain 25 Mean Fomhair, 2017 ag **9.30 r.n. in Áras an Chontae, Leifear** le plé a dhéanamh ar na hábhair atá sa Chlár leis seo.

Mise, le meas

Seosamh O’Piobla
Riarthóir Cruinnithe

DONEGAL COUNTY COUNCIL

Office of Meetings Administrator
County House
LIFFORD.
19th September, 2017

NOTICE OF MEETING

A Special Meeting of Donegal County Council will be held on Monday 25th September, 2017 at 9.30 am in the County House, Lifford.

TO EACH MEMBER OF DONEGAL COUNTY COUNCIL

Dear Councillor

You are summoned to attend this meeting of the Council. The Agenda is attached.

Yours sincerely

Joe Peoples
Meetings Administrator

AGENDA

- a. To consider and note the Donegal County Council audited Annual Financial Statement 2016.
- b. To consider and note the Local Government Audit Report on the Annual Financial Statement for 2016.
- c. To note the report from the Donegal County Council Audit Committee on its consideration of the 2016 Audited Financial Statement and Audit Report for 2016 of Donegal County Council as required by Section 121 (3) of the Local Government Act 2001 (as amended).

MINUTES OF SPECIAL MEETING OF DONEGAL COUNTY COUNCIL,
HELD IN THE COUNTY HOUSE, LIFFORD ON 25TH SEPTEMBER, 2017

C/297/17 MEMBERS PRESENT

Cllrs Gerry McMonagle, Cathaoirleach, L Blaney, E Bonner, C Brogan, J Campbell, P Canning, T Conaghan, N Crossan, A Doherty, G Doherty, L Doherty, R Donaghey, M Farren, M T Gallagher, A. Glackin, M Harley, N Jordan, J Kavanagh, N Kennedy, M C Mac Giolla Easbuig, F. McBrearty, M Mc Bride, J P Mc Daid, M McDermott, I McGarvey, P McGowan, M Naughton, S O'Domhnaill, J O'Donnell, J S O'Fearraigh, B O'Neill and T Slowey.

C/298/17 OFFICIALS IN ATTENDANCE

Seamus Neely, Chief Executive, Joe Peoples, Director of Housing, Corporate and Cultural Services / Meetings Administrator, Liam Ward, Director of Community, Enterprise & Planning Services, Michael Mc Garvey, Director of Water & Environment, Garry Martin, Director of Finance, Information Systems & Emergency Services, John McLaughlin, Director of Roads and Transportation, Richard Gibson, Senior Executive Officer, Anne Marie Conlon, Communications Officer, Eileen Harkin, A/Staff Officer, Anne Marie Crawford, Staff Officer.

C/299/17 APOLOGIES

Apologies were received from Cllrs Crawford and Murray who were unable to attend the meeting.

C/300/17 CONSIDERATION AND NOTING OF THE DONEGAL COUNTY COUNCIL AUDITED ANNUAL FINANCIAL STATEMENT 2016 , THE LOCAL GOVERNMENT AUDIT REPORT ON THE ANNUAL FINANCIAL STATEMENT FOR 2016 AND THE REPORT FROM THE DONEGAL COUNTY COUNCIL AUDIT COMMITTEE ON ITS CONSIDERATION OF THE 2016 AUDITED FINANCIAL STATEMENT AND AUDIT REPORT FOR 2016 OF DONEGAL COUNTY COUNCIL AS REQUIRED BY SECTION 121 (3) OF THE LOCAL GOVERNMENT ACT 2001 (AS AMENDED)

Members considered the report circulated with the agenda in relation to the above.

A lengthy debate ensued and a number of queries were raised.

Cllr Canning asked for clarification regarding the financial position of the Letterkenny Theatre Management Company Ltd.

Cllr O' Domhnaill queried the following:-

- The amount of the projected overspend on the Sliabh Liag project.
- Necessity of having a quarterly / six monthly report in relation to income and expenditure in light of the current financial situation.
- The status of the Asset Management Register and an indicative timeframe as to when the register would be completed.
- Clarification sought as to how much the Council had in reserves.
- Details requested in relation to the Council's Loan Book , who the loans were with and the potential for improved terms going forward.

Cllr Bonner asked what the Council's liability was in terms of Appendix 8 Companies, Sliabh Liag and the Letterkenny Sports Complex.

Cllr Mc Gowan acknowledged the need to balance the books but expressed concern that Irish Water seemed to be cherry picking the most valuable assets and leaving the more problematic infrastructure for the Council to deal with. The issue here, he said, was that the Council did not have the financial resources to deal with same. He expressed disappointment also in relation to the number of Housing Estates that had been taken in charge.

Cllr Campbell asked for a breakdown of expenditure under a number of headings.

Cllr Gallagher said that the audit had raised a number of important issues that needed to be addressed. The Council, she added, needed to highlight the funding deficiencies at national level given that the current funding model is not capable of addressing the various funding challenges.

Cllr Crossan advised of the need to reduce the Council's debt going forward and proceeded to query details in relation to number of expenditure areas.

Cllr Mc Garvey raised a number of queries in relation to the reduction in the workforce and associated reduction in payroll costs.

Cllr Brogan cited the need for a systematic review of all Council assets and an analysis as to how they could be best used for the benefit of the County as a whole.

He queried the amount of €1.25 million shown under Capital Reserves for the County House and queried as to where this had been provided for in the 2017 Budget Book.

It was essential, he added, that monies were prioritised and spent on items such as Roads, Housing, footpaths, public lighting etc.

He noted that both the Aura and An Grianan were excellent projects and provided an excellent service for the people of Donegal.

Mr Garry Martin, Director of Finance, Information Systems and Emergency Services welcomed the fact that there had been an opportunity to discuss the Annual Financial Statement and the Local Government Auditors report.

He advised that a standard statutory format was used in the production of the Budget Book, the AFS and other statutory documents.

Responding to the issues raised by members, he advised the following:-

That both the Letterkenny Theatre Management Development Company Ltd and the Aura Leisure Centre in which Donegal County Council had an interest, were managed prudently and not subject to open ended funding. The loss figure referred to by members was, he advised, an accounting anomaly that existed and came about as both were subject to capital interest and depreciation.

Neither, he advised were operating at a loss and were in no imminent danger. There had been, he said, an audit across all of the companies in which the council had an interest with recommendations brought to the attention of the Audit Committee. All of these entities, he added, were delivering services that the local authority would struggle to deliver.

There were issues, he advised, to be worked through in relation to the Letterkenny Theatre Management Development Company Ltd and that these were reflective of the financial model used by the Town Council to develop the company initially in Letterkenny.

In relation to Sliabh Liag, it was noted that the additional expenditure had been due to unforeseen and exceptional circumstances.

Regarding Fire Safety Certificates, it was noted, that many were complicated and required detailed analysis hence the timeframe for processing. As a Fire Authority it was important, he said, that the Council was able to assert a level of confidence when dealing with such matters.

Members, he advised were presented each year with an Income and Expenditure Report, showing a detailed breakdown of the adopted budget and the outturn for the previous year. There was a statutory obligation, he added, to resolve any over expenditure for the accounting period in question. It was not unusual, he said for the budget to change in the subsequent year. He confirmed that in 2016 additional income had been received in respect of roads grants relating to storm damage. It would be possible, he confirmed, to make the 2016 Income and Expenditure Report available again .

Mr Martin alluded to the fact that the authority was obliged to meet its loan obligations. Back in 2010 a decision had been taken, he said, to deal with overhanging debt. Much of this it was acknowledged had been with the Housing Finance Agency and payments were made on an interest only basis. Payment was now being made, he confirmed on a full payment basis.

Specific capital reserves, it was noted, were identified in the budget each year to create buoyancy and provide a capacity to do certain works. It was critical, he said, that this capacity was retained.

Members were informed that overhead costs were being monitored on an ongoing basis and that every effort was being made to create efficiencies where possible.

Concluding Mr Martin said that he was happy to provide clarity in relation to any issues that arose.

Mr Liam Ward, Director of Community, Enterprise and Planning Services advised that the additional expenditure incurred in relation to Sliabh Liag had been directly related to the development of the Transport Hub.

He advised that work was ongoing in relation to the takeover of estates and that an update would be provided at MD level.

The Chief Executive welcomed the constructive engagement that had taken place and said that this would be beneficial in the context of the upcoming budget negotiations. The prudent financial measures put in place back in 2010 had, he confirmed, paid off and thus the accumulated revenue deficit had improved from €14,345,654 at the end of 2015 to €9,717,139 at the end of 2016.

He alluded also to the fact that a dedicated resource approach had been tasked to review management arrangements for the Council's asset base. A senior member of staff had been appointed, he said, to deal with same and it was hoped, he said to advance this in the coming months.

C/301/17 ADJOURNMENT OF THE MEETING

On the proposal of Cllr Gallagher, seconded by Cllr O' Domhnaill it was resolved to adjourn the meeting for a short period to allow the September Council Meeting commence.

C/302/17 TO NOTE THE REPORT FROM THE DONEGAL COUNTY COUNCIL AUDIT COMMITTEE ON ITS CONSIDERATION OF THE 2016 AUDITED FINANCIAL STATEMENT AND AUDIT REPORT FOR 2016 OF DONEGAL COUNTY COUNCIL AS REQUIRED BY SECTION 121 (3) OF THE LOCAL GOVERNMENT ACT 2001 (AS AMENDED)

On resumption Cllr O' Domhnaill said that that the meeting had been a very worthwhile exercise and had provided an opportunity for an open and transparent discussion to take place.

He asked that information be provided in relation to the following:-

- The number and status of loans held by Donegal County Council with the various loan institutions.
- The amount of capital held in the various reserve accounts.

- Clarity with regard to the surplus monies available under the various headings.
- Details requested as to where the €110, 000 not accounted for would be spent in relation to the Sliabh Liag project.

On the proposal of Cllr O' Domhnaill, seconded by Cllr Brogan it was resolved that the details of surpluses when available are circulated to members so that a decision can be made regarding the distribution of the monies in question.

Cllr O' Domhnaill further proposed, seconded by Cllr Brogan that a meeting be sought with the Department in order to ascertain what latitude could be provided as regards the Council's bad debt write down particularly in light of the impending Brexit situation. The Director of Finance, he advised, needed to lead any such delegation.

Cllr Campbell queried as to whether it was possible to distribute monies on this basis and asked if the deputation would be meeting with the relevant Government Department or the main agencies involved.

Mr Garry Martin, Director of Finance, Information Systems and Emergency Services said that most of the Council's debt was with the Housing Finance Agency. He said that he had no difficulty in working with members in a broad context in terms of monies received from bodies such as the IPBMI . The challenge going forward, he added, was to retain a positive position between the surplus and the deficit.

This concluded the business of the meeting.

Cathaoirleach

Dated