

MINUTES OF BUDGET MEETING OF DONEGAL COUNTY
COUNCIL HELD IN THE COUNTY HOUSE LIFFORD ON 18th
NOVEMBER 2014

C/526/14 MEMBERS PRESENT

Cllrs J Campbell (Cathaoirleach), L Blaney, E Bonner, C Brogan, P Canning, T Conaghan, G Crawford, N Crossan, A Doherty, G Doherty, L Doherty, R Donaghey, M Farren, M T Gallagher, M Harley, N Jordan, J Kavanagh, N Kennedy, F McBrearty, M Mc Bride, J P McDaid, M McDermott, I Mc Garvey, P McGowan, B McGuinness, G McMonagle, J Murray, S O'Domhnaill, J O' Donnell, J S O'Fearraigh, B O'Neill, M Quinn, J Ryan, D Shiels & T Slowey.

C/527/14 OFFICIALS IN ATTENDANCE

Mr Seamus Neely, Chief Executive, Mr Liam Ward, Director of Housing, Corporate & Planning Control/ Meetings Administrator, Mr Garry Martin, Head of Finance & Director of Information Systems & Emergency Services, Mr Joe Peoples, A/Director of Water & Environment, Mr Michael Heaney, Director of Community Culture & Planning Development, Mr John Mc Laughlin, Director Roads & Transportation, Mr Bartley Mc Glynn, Senior Executive Officer, Ms Anne Marie Quinn, Administrative Officer, Ms Pauline Smyth, A/Staff Officer, Mr Sean O' Daimhin, Oifigeach na Gaeilge, Ms Anne Marie Conlon, Communications Officer, Ms Anne Marie Crawford, Staff Officer, Corporate Services.

C/528/14 APOLOGIES

Apologies were received from Cllr Mac Giolla Easbuig and Cllr Mc Eniff who were unable to attend the meeting.

C/529/14 CONSIDERATION OF THE 2015 DRAFT REVENUE BUDGET

The Cathaoirleach welcomed Members and the Media to the meeting.

VOTES OF SYMPATHY

Sympathy was extended to the following:-

- Cllr Martin Harley on the death of his daughter, Kym.

- The family and relatives of the late Diane Byrne, Housing & Corporate, Dungloe.
- Edel Shalvey, HR on the death of her husband Hugh Shalvey.
- Joe Peoples on the death of his father Tommy Peoples.

C/530/14 ADJOURNMENT OF MEETING

As a mark of respect a minutes silence was observed by all present and the meeting adjourned to 11.00am as a mark of respect.

C/531/14 CONSIDERATION OF THE 2015 DRAFT REVENUE BUDGET- CHIEF EXECUTIVE'S ADDRESS AND ADDRESS BY THE HEAD OF FINANCE

On resumption the Chief Executive provided an overview of the Draft 2015 Budget proposals. He alluded to the range of factors that had been taken into consideration when drafting the budget, noting also the impact of the 2014 Local Government Reform Process. Members were informed of the efforts being made to support economic growth together with the overall implications of the new funding mechanism. Affordability issues were considered in conjunction with the Summary of the Expectations for 2015. Members were updated also in relation to the plans for strengthening the organisation as a whole.

The Head of Finance in his report alluded to the various strands of legislation governing Local Authority Budget Meetings and the Three Year Capital Budget Programme.

A comparison of the 2015 figures as compared to 2014 was provided including an analysis of the changes and strategies used to balance the 2015 Draft Revenue Budget.

Members were informed that the total expenditure provided for in the Draft Revenue Budget 2015 was €131,256,054 with projected income amounting to €76,351,190 leaving a net requirement of €54,904,864.

The balance it was noted would be funded to the amount of €22,720,760 from Local Property Tax receipts, €2,350,000 from Pension Related Deductions and the remaining €29,834,104 to be raised by way of commercial rates.

It was acknowledged that a number of decisions needed to be made in relation to the following:-

1. Vacancy Rate on Commercial Properties.
2. Strategic Development Fund- allocation methodology.
3. The implementation of the Small Business Grant Scheme.
4. Utilisation of a harmonised rate of €68.39 for 2015.

Additional reports in respect of items 1-4 above were circulated for the information of the Members.(Vide Appendix 1)

There was further acknowledgement that a systematic gap existed between reasonable expenditure demands and available income on an ongoing basis. It was noted that whilst there had been considerable effort made over the past number of years to achieve efficiencies in areas such as payroll reduction, purchasing and procurement, cash and treasury management together with debtor and creditor control. To this end it was acknowledged that a multi-annual approach was required.

It was advised that in the short term (i.e. during 2015) the application of a range of exceptional measures particularly in relation to income related areas would be necessary. These to include the utilisation of reserves, the commencement of a multi-year plan to maximise residential NPPR income (including planned payment plans supported by a dedicated staffing unit.)

Other measures identified included the commencement of a multi-year plan to work towards maximum buoyancy drawn from the Rate Book on an equitable basis and a similar plan to ensure maximum buoyancy drawn from external funding opportunities, contributing to fixed costs.

In the short to medium term it was advised that every effort would be made to reduce the extent of exceptional income measures and to commence full repayment of the Non-Mortgage Loan Book through increasing sustainable income lines. Plans also included the application of the following:-

- Gradual application of sustainable areas of income buoyancy, including Commercial Rates.
- Maximisation of opportunities presenting from external funding as a contribution to fixed costs including salaries, wages, and certain overheads through EU Unit activity.
- The exploration of options to achieve balanced objectives with the Department of the Environment, Community & Local Government, regarding options for inter-alia capital chargeability.
- Continuation of activities to maximise efficiency options together and obtain the best value for money option for each product and service category.

In the medium to long-term i.e. 4 years and over, it was acknowledged that the conclusion of establishing a balanced budget would then be based on normal sustainable approaches namely, the conclusion of buoyancy and the maximisation of Commercial Rates on an equitable basis, including revaluation of all commercial properties in the County.

It was envisaged that in this period, opportunities would arise for the establishment of a sustainable model for external funding for certain salaries, wages, and certain overheads with a concerted effort on an ongoing basis to maximise capital chargeability.

C/532/14

FILMING IN THE COUNCIL CHAMBER

On the proposal of Cllr Mc Brearty, seconded by, Cllr Quinn it was resolved in accordance with Standing Order No 28 to suspend Standing Order No 62 so as to allow filming for a brief period in the Council Chamber.

C/533/14

ADJOURNMENT FOR LUNCH

On the proposal of Cllr Mc Monagle, seconded by, Cllr Mc Bride it was resolved to adjourn the meeting for lunch until 2.30pm.

C/534/14

CONSIDERATION OF THE 2015 DRAFT REVENUE BUDGET

On resumption it was resolved on the proposal of Cllr G Doherty, seconded by, Cllr Donaghey to further adjourn the meeting until 4.00pm.

C/535/14 ADJOURNMENT OF MEETING

Members returned at 4.00pm and on the proposal of Cllr Gallagher, seconded by, Cllr Mc Dermott it was resolved to adjourn the meeting until 5pm.

C/536/14 CONSIDERATION OF THE 2015 DRAFT REVENUE BUDGET

Cllr Slowey proposed, seconded by, Cllr Mc Guinness, and in accordance with Standing Order No 28 to suspend Standing Order No 3 so as to extend the meeting beyond 6pm.

A further adjournment until 6pm was proposed by Cllr Kavanagh and seconded by Cllr L Doherty.

At this juncture Cllr Brogan proposed, seconded by, Cllr Crawford that there be no further adjournments beyond 7pm and that in the absence of any agreement that the meeting be adjourned to a day decided by the Council.

Cllr Mc Brearty said he was unhappy with this proposal and that every effort should be made to continue with the budget deliberations.

The Cathaoirleach agreed to review same when Members returned at 7pm.

Members were again informed that the prescribed period for considering the Draft Revenue Budget 2015 was from the 1st to the 24th November, 2014 and that whilst it was possible to adjourn the meeting, any such adjournment had to be within the period of 14 days, beginning on the day on which the Local Authority Budget Meeting was held.

C/537/14 ADJOURNMENT OF MEETING

On the proposal of Cllr Donaghey, seconded by, Cllr Brogan it was resolved to adjourn the meeting until 7pm.

C/538/14 CONSIDERATION OF THE 2015 DRAFT REVENUE BUDGET

Members returned at 7.00pm and it was resolved to adjourn the meeting for a further 20 minutes to allow for further discussion among the party whips.

On the proposal of Cllr Mc Garvey, seconded by, Cllr Mc Guinness it was resolved to adjourn the meeting until 7.20pm.

C/539/14 ADJOURNMENT OF MEETING

On resumption Cllr Blaney proposed, seconded by, Cllr Crossan to adjourn the meeting for another 30 minutes period.

C/540/14 CONSIDERATION OF THE 2015 DRAFT REVENUE BUDGET

Cllr Brogan on behalf of the Fianna Fail Grouping acknowledged the assistance of the Senior Management Team and all Members who had facilitated the successive adjournments. He noted that the adoption of the Local Property Tax in September had given a clear indication of where things were going. He thanked the Chief Executive, the Head of Finance and his team who had facilitated Members at every opportunity. It had been, he noted, a productive day with constructive engagement among all parties and a willingness to do the best for the County as a whole.

He acknowledged that as ever there was a shortfall in central government funding. It was important, he said, that Senior Management identified the shortfall in funding for areas such as Roads and Housing Maintenance. It was important, he added, that a specific Donegal Plan was initiated and that Members in conjunction with Senior Management sought a meeting with the Minister for the Environment, Community and Local Government, Mr Alan Kelly, T.D. He said, it was essential that this cross-party delegation had adequate documentation identifying the relevant funding shortfalls.

Thus on the proposal of Cllr Brogan, seconded by, Cllr Ryan it was resolved to adopt the 2015 Draft Revenue Budget as presented.

Cllr Ryan on behalf of the Fine Gael Grouping thanked all who had contributed to the budgetary process. He acknowledged the contribution of Business Rate Payers in the County who had worked over the past number of years with Donegal County Council despite the harsh economic climate. To this end, he welcomed the introduction of the Small Business Grant Scheme. He was appreciative of the proposals for additional staffing and asked that every effort be made to appoint a new Beach Management Officer.

Acknowledging the investment to date in tourism and cultural activities, he asked that a new initiative promoting Donegal and its People be developed in 2015.

Thanking all concerned for their co-operation, he said, he was hopeful that today's events marked a new era of constructive politics.

Cllr McBride representing the Independent Grouping acknowledged the efforts of both Members and staff in the budgetary process, noting that there had been significant engagement. There were, he said, economic challenges going forward but that the budget as presented had many positive aspects. He welcomed the 5% rent rebate for Small Business Enterprises and the significant emphasis on developing tourism initiatives.

Every effort, he said, needed to be made to improve our housing stock and roads network, together with the active promotion of the A5 Project. He cited the need to protect our distinct culture whilst encompassing and embracing all minority groups in the County. It was acknowledged that there was an onus also to ensure Health Care Facilities in the County were of a high standard.

The Independent Grouping, he noted, had put forward a proposal to assist youth and community services.

Budget 2014, he said, had not shown Donegal in a good light but he was hopeful that the spirit of co-operation displayed over the last few weeks would serve to assure the people of

Donegal that Members intended to actively progress their election pledges.

Cllr Quinn acknowledged the presentations made by the Chief Executive and the Head of Finance. The Sinn Fein Grouping, he confirmed, welcomed many of the proposals including:-

- The promise of additional staffing. Members were, he noted being asked to take a leap of faith and whilst optimistic, he was not so sure that the Department would approve the DCC Workforce Plan.
- The reduction in rates for new and small businesses.
- The increase in Housing Maintenance Monies.

It was imperative, he said, that a new Tenants Handbook was provided for Council Tenants and that a concerted effort was made to improve services for this grouping.

Concern was expressed in relation to the €400,000 allocation for Unfinished Estates and the issue of whether or not Irish Water was responsible for Mechanical Plant in these estates. Other issues of concern included the pending change in rent levels and the projected €180,000 increase in Housing Loan arrears. Roads issues were also highlighted including the state of the roads across the County and the lack of progress on the Bonagee Link, the Lifford to Manor Road and the A5 Project. The need to reintroduce LIS Schemes was noted.

Cllr Quinn acknowledged that Irish Water was an important part of the Authority's budget but that the public at large had had enough, and there was simply no money to pay these extortionate bills.

Section 46 of the Local Government Reform Act, 2014, he advised, stated that a Local Authority may take such measures, engage in such activities or do such things in accordance with law (including the incurring of expenditure) as it considers necessary or desirable to promote the interests of the local community. To this end, he said, that the Sinn Fein Grouping had met with the Chief Executive and his team and had advised that the time was right to avail of the DCC overdraft accommodation or other capital funding to

assist in the creation of employment. He accepted the Chief Executive's commitment to maximise capital funding and asked that €1 million per annum be utilised for this purpose over the next five years. He acknowledged the fact that a commitment had been given to exceed the €1 million limit, if possible.

It was imperative, he added that a meeting be arranged with the Minister for the Environment, Community & Local Government regarding the possibility of securing additional funds. He asked that the surplus of monies due to Donegal County Council in respect of Bundoran Town Council be utilised to assist and promote community based initiatives.

Cllr Farren welcomed the siting of the new Roads Management Office in Milford together with the 5% rate reduction for small business enterprises. He welcomed the initiative to restore the Fisheries and Agriculture Committees and noted that moves to secure additional staffing were a step in the right direction.

Cllr Shiels stated that the Budget had been presented as a "fait accompli" and that Members had failed to raise a number of issues warranting further consideration.

He questioned the €668,000 allocation for enforcement and the fact that €150k to €160k was in fact discretionary. Budget 2015, he said, had been presented in global detail and that this would ultimately lead to further questions being asked when monies were not available for certain projects later in 2015.

He enquired as to why the Three Year Capital Programme had not been presented to Members as provided for under the Local Government Act, 2001. Water supply issues in Letterkenny, he noted, could have been addressed if Members had been presented with the programme today.

The Budget as presented, he said, could have done more for social and welfare issues with no provision for items such as the provision of school meals to disadvantaged children.

He lamented the fact that proposals put forward by the independent grouping for a number of community welfare issues had in fact been rejected.

There was a duty on Members, he said, to properly assess the budget proposals and in particular a budget which effectively legitimised Irish Water. The Council in general, he advised, had sacrificed a prime opportunity to improve the lot of the people of Donegal.

Cllr Crossan at this juncture called for a vote on the proposal to adopt the 2015 Draft Revenue Budget.

Cllr Brogan then proposed, seconded by, Cllr O' Domhnaill that all Members be allowed to participate in the debate.

The Cathaoirleach following some discussion on whether individual members could now address the meeting alluded to Standing Order No 41 (b) as outlined below:-e following:-

“To move the previous question, when proposed and seconded, and after the consent of the Cathaoirleach, supported by two thirds of the members present, has been obtained, it shall be determined without amendment or debate; and if it be affirmed, the business interrupted by such motion shall not be proceeded with further at that meeting, but the Cathaoirleach may decline to put the motion of the “previous question”. Upon all occasions when the “previous question” is moved, the formula adopted shall be “that the motion be not now put and that the next business on the agenda be proceeded with”

After some debate it was thus agreed to allow any Member who wished the opportunity to comment on the Draft Revenue Budget 2015 proposals.

Cllr Mc Brearty said, he was of the opinion, that this budget did not offer the people of Donegal the best deal and that only Sinn Fein and the Independents had concrete proposals particularly in relation to a Health and Welfare Fund which would have helped deal with a number of social issues. He queried the point in having an overdraft accommodation

when in fact it was not utilised for any worthwhile capital development.

Cllr O' Domhnaill said he was happy with the proposal and thanked all involved. He noted that there had been a number of workshops and ample opportunity for Members to ask the relevant questions. The hard decisions had, he advised, been taken back in September in relation to the Local Property Tax. It was, he confirmed, up to the Members to find the discretionary elements in the budget and convey same to the Senior Management Team. This he concluded was a "Members Budget" and showed discretion in terms of Roads, Housing and Employment initiatives both at plenary and district level.

Cllr Mc Guinness confirmed that the Fine Gael Grouping had every confidence in the Chief Executive and his Management Team. He welcomed the proposal for extra staffing, and the fact that LEOs, were now under the remit of Donegal County Council. Collaboration with the Inishowen Development Partnership and the implementation of various Leader Programmes were also acknowledged.

He outlined the need for greater liaison with the Voluntary Housing Groups and an increased emphasis on village and town renewal.

Cllr Canning noted that there had been ample discussion at the various workshops and that discussion had also taken place at CPG level.

Cllr Mc Monagle welcomed the budget but noted that there was room for additional centralised funding. Sinn Fein, he said, were putting their trust in the Executive to get all projects identified up and running. He accepted the assurance from the Executive that they would look into increasing the €1 million per year allocated to tourism and flagship projects.

The 5% Rates Grant was also welcomed together with the DFI and Members Development Fund increases. The way forward, he added, was to don the county jersey and lobby central government for additional funding.

Cllr Mc Garvey complimented all who had worked on the budgetary process, noting that cross-border aspects were an integral part of the process.

He cited the need for additional meetings with the Oireachtas Members and MEPs together with increased lobbying so as to secure additional monies. The role of the Diaspora going forward was also deemed critical.

Cllr Bonner said that this was a good neutral budget and he welcomed the fact that the available income had been identified and clear lines of expenditure indicated. He queried why the development and improvement of water services had not been left with the Local Authority and expressed concern that no mention had been made in relation to wastewater services.

C/541/14 ADOPTION OF DONEGAL COUNTY COUNCIL BUDGET FOR THE YEAR ENDING 31st DECEMBER, 2015

The Meetings Administrator read the text of the resolution in to the meeting as outlined below:-

“That Donegal County Council hereby adopt for the financial year ended 31st December, 2015 the Budget set out in Tables A and B resulting in an Annual Rate in Valuation of €68.39 as shown in table A and subject to Section 10 of the Local Government (Financial Provisions) Act 1978 having regard to the Base Year Adjustment, as set out in Table C, and determined in accordance with Section 29 of the Local Government Reform Act 2014.

The motion was duly proposed by Cllr Brogan and seconded by Cllr Ryan.

A recorded vote was then taken by the Meetings Administrator which resulted in 31 voting for with 1 voting against.

Those voting in favour included:-

Cllrs Blaney, Bonner, Brogan, Campbell, Canning, Conaghan, Crawford, Crossan, A Doherty, G Doherty, L Doherty, Donaghey, Farren, Gallagher, Jordan, Kavanagh, Kennedy, Mc Brearty, Mc Bride, Mc Daid, Mc Dermott, Mc Garvey, McGowan, Mc Guinness, Mc Monagle, Murray, O'Domhnaill, O'Fearraigh, Quinn, Ryan, & Slowey (31)

Those voting against included :-

Cllr Shiels (1)

Donegal County Council therefore resolved to adopt for the financial year ended 31st December, 2015 the Budget set out in Tables A and B resulting in an Annual Rate in Valuation of €68.39 as shown in table A and subject to Section 10 of the Local Government (Financial Provisions) Act 1978 having regard to the Base Year Adjustment, as set out in Table C, and determined in accordance with Section 29 of the Local Government Reform Act 2014.

C/542/14 DETERMINATION OF THE ANNUAL RATE IN VALUATION

The Meetings Administrator read the text of the resolution in to the meeting as outlined below:-

“That Donegal County Council hereby determine, in accordance with the Budget now adopted , that the rate set out in Table A, of €68.39, to be the Annual Rate in Valuation to be levied for the year ended 31st December, 2015 for the purpose set out in Table A”

It was duly proposed by Cllr Gallagher and seconded by Cllr Mc Bride.

A recorded vote was then taken by the Meetings Administrator which resulted in 32 voting for with none against.

Those voting in favour included:-

Cllrs Blaney, Bonner, Brogan, Campbell, Canning, Conaghan, Crawford, Crossan, A Doherty, G Doherty, L Doherty, Donaghey, Farren, Gallagher, Jordan, Kavanagh,

Kennedy, Mc Brearty, Mc Bride, Mc Daid, Mc Dermott, Mc Garvey, McGowan, Mc Guinness, Mc Monagle, Murray, O'Domhnaill, O'Ferraigh, Quinn, Ryan, Shiels & Slowey (32)

The motion was thus adopted.

C/543/14 ADJUSTMENT PERIOD

The Meetings Administrator read the text of the resolution in to the meeting as outlined below:-

“As allowed for under Section 29(8) of the Local Government Reform Act 2014, that the Council resolve to apply to the Minister of the Environment, Community & Local Government to make an order allowing that the adjustment period for the purpose of harmonisation of Annual Rate of Valuation in respect of the specified area formerly the Town Council area of Buncrana, be 12 years.

A recorded vote was then taken by the Meetings Administrator which resulted in 32 voting for with none against.

Those voting in favour included:-

Cllrs Blaney, Bonner, Brogan, Campbell, Canning, Conaghan, Crawford, Crossan, A Doherty, G Doherty, L Doherty, Donaghey, Farren, Gallagher, Jordan, Kavanagh, Kennedy, Mc Brearty, Mc Bride, Mc Daid, Mc Dermott, Mc Garvey, McGowan, Mc Guinness, Mc Monagle, Murray, O'Domhnaill, O'Ferraigh, Quinn, Ryan, Shiels & Slowey (32)

The motion was thus adopted.

The Chief Executive thanked the Cathaoirleach and the Elected Members for their engagement noting that significant works had been carried out to date in 2014. Tribute was paid also to the Senior Management Team and Members of the Media present. He acknowledged that there had been considerable tolerance displayed and that the process had presented a significant opportunity to share in the thought process with regard to strategic issues. Every

effort, he advised, would be made to ensure a positive outcome.

This concluded the business of the meeting.