

<p style="text-align: center;">MINUTES OF ADJOURNED BUDGET MEETING OF DONEGAL COUNTY COUNCIL HELD IN THE COUNTY HOUSE, LIFFORD ON THE 4th DECEMBER 2025</p>
--

C/452/25

MEMBERS PRESENT

Cllrs P Canning, Cathaoirleach, L Blaney, M Boyle F Bradley, Brogan, J Brogan, B. Carr, D Coyle, T Crossan, T S Devine, A Doherty, A Farren, M Farren, M Harley, N Jordan, J Kavanagh, D M Kelly, N Kennedy, M C Mac Giolla Easbuig, P Mc Garvey, D Mc Gee, P Mc Gowan, M Mc Mahon, G Mc Monagle, D. Meehan, J Murray, M Naughton, D Nic Mheanman, J S O Fearraigh and M Scanlon.

Online: Cllrs Beard, G Doherty, F Mc Brearty Jnr, M Mc Bride, M Mc Clafferty, M Mc Dermott, and Molloy.

C/453/25

OFFICIALS IN ATTENDANCE

John Mc Laughlin, Chief Executive, Patsy Lafferty, Director Housing, Corporate & Cultural Services/Meetings Administrator, Eamonn Brown, A/ Director Community Development & Planning Services, Bryan Cannon, Director Roads & Transportation, Richard Gibson, Director of Finance, Garry Martin, Director Economic Development, Information Systems and Emergency Services, Michael Mc Garvey, Director Water & Environment, Tanya Kee, Management Accountant, Eunan Quinn, Senior Planner, Anne Marie Quinn, Administrative Officer, Finance, Frances Friel, Communications Officer, William Colvin, Assistant Communications Officer, Róise Ní Laifeartaigh, Rannóg na Gaeilge, Clíona Ní Ghallachóir, Tacaíocht do Sheirbhísí Aistriúcháin, Anne Marie Crawford, Staff Officer.

C/454/25

ADJOURNMENT

The Cathaoirleach welcomed members to the reconvened meeting. He said that the group leaders were looking for clarity on number of issues and that this warranted further discussion. On the proposal of Cllr Blaney, seconded by Cllr Blaney it was resolved to adjourn the meeting until 12 noon. Cllr J Brogan said that members had received the Budget Book over three weeks ago and that there had been a week and a half since the last meeting which had been ample time to consider the 2026 proposals.

C/455/25

FURTHER ADJOURNMENT

On resumption of the meeting a further adjournment to 12.30pm was proposed by Cllr Canning and seconded by Cllr Mc Gowan. Cllr Mac Giolla Easbuig said that he was dismayed at the pretence as there had been sufficient time to consider the proposals.

C/456/25

CONSIDERATION OF THE 2026 DRAFT REVENUE BUDGET

Reopening the meeting, the Cathaoirleach thanked members for their patience. He said that should the 5% increase in commercial rates be rejected the Director of Finance would have to revise the budgetary figures and that this would involve 1.5 to 2 hours preparation time.

Cllr Mc Brearty said that he had been looking for a report in relation to legal fees and had not received same to date. He queried why year on year the cost for legal fees was not included in the Budget Book. This detail, he contended, needed to be made available as significant monies had been paid out to three legal entities. Provision of these figures, he added, was essential if members were to consider a rates increase. The Cathaoirleach said that the Director of Finance would correspond directly to Cllr Mc Brearty on the matter.

Cllr Mc Bride thanked the Director of Finance and his team for their work on the 2026 Budget. He said that he could not support a 5% increase based on discussions with the business community and Letterkenny Chamber of Commerce. Rising costs, less disposable income and an increase in the minimum wage were all impacting on the business sector, he noted. There was acknowledgement also that 25 businesses had closed on Letterkenny's Main Street and that this situation was being replicated county-wide. He thus proposed, seconded by Cllr Devine that the 2026 Revenue Budget proceed with a 0% increase in commercial rates.

Cllr C Brogan then proposed that the meeting be adjourned for further appraisal of the figures and to see where a small increase in commercial rates could be accommodated. He said that there had been no increase in commercial rates since 2018 and that this needed to be taken into consideration. There were, he stated, challenges ahead for the business community but there was a need also to be realistic about the situation. He referenced the fact that significant funding had come into Letterkenny in terms of the Urban Regeneration Programme together with substantial investment in the Atlantic Technology University. Specific challenges, he said, needed to be looked at namely traffic management and the roadworks associated with the Active Travel Programme. It was important, he added, that the message went out that Letterkenny was open for business.

He said that recent meetings with the business community had clearly shown that there was a need to improve conditions for business and he thus highlighted the need to be creative in finding the relevant solutions.

Cllr Brogan said that there had been discussion with all the party groups and that honest concerns had been raised. He called for further discussion citing the need for people to see a working Council and the creation of an environment to facilitate further investment in the county.

The Cathaoirleach said members needed to be clear on what they were voting for and that the 0% increase in commercial rates as proposed by Cllr Mc Bride would see a €1.9m reduction in expenditure in 2026.

Cllr Brogan proposed, seconded by Cllr Mc Gowan that the meeting be further adjourned to facilitate further discussion on the matter.

Cllr Martin Farren alluded to the impact that a 5% increase would have on businesses in the smaller towns where small and medium enterprises were struggling to cope and make ends meet. He said that he could not support a 5% increase on that basis.

Cllr Mc Monagle said that the crux of the matter was how Local Government was funded with the Local Property Tax and Commercial Rates being the central funding elements. It was inevitable, he added, that a rates increase would be passed on to the consumer. The issue here, he contended, was government policy and the lack of essential investment in the county. He said he was firmly of the opinion that an increase in rates would put an extra burden on people, increase the cost of groceries, retail processes etc and lead to job losses. A restructuring of the overall funding mechanism was required, he added. He asked for clarity as to the impact of a 0% increase in rates.

Cllr Beard said that nothing had changed since 2024 for the business sector, and they now had to deal with the impact of an increase in the minimum wage, the new rolling pension contribution on top of rising costs and increased energy bills. She said that families in Donegal had less disposable income and this too was an issue for the business community with many business operating on narrow margins and their premises impacted by the defective concrete blocks crisis. She alluded also to ongoing business closures in the Inishowen Municipal District as a result of repeated water outages. Thus, she said that the 100% Redress Party could not support the 5% increase.

Cllr Kennedy concurred with this assessment and noted that the recent rates revaluation had been particularly harsh on smaller businesses. She alluded also to the fact that the Casual Trading Byelaws had not yet been completed which was unfair on businesses who paid their rates, allowing casual traders to take advantage of town centre locations. Failure to look after small and medium enterprises, she said, sent out the wrong message and undermined the regeneration and town development programmes. She asked for data on the number of casual traders operating in the county.

Cllr Harley thanked the Director of Finance and his team for their efforts in producing a Budget Book that allowed for €224m of expenditure in 2026. He said that he agreed with much of what Cllr C Brogan had said and that consideration should be taken of the fact that service delivery had increased significantly since 2008 and that rates were at a lower level now than back then. He said that without an increase in rates the same level of service could not be delivered. It was, he advised, a difficult time for businesses and that the range of applicable charges for these entities had not changed over the years. He said that cognisance had to be taken of the range of regeneration projects being promoted and pursued and the impact that these would have on dereliction and vacancy in the various towns. The issue now, he stated, was what would happen to these projects and where the

money would be found if €1.8m was removed from the budget. He said an additional conversation was now needed to look at this aspect and what could be achieved with a 2% to 3% increase in rates.

He asked that consideration be given to putting in place a system utilised in other counties whereby business with under €10k in rates got a dedicated rebate. This could involve, he added, amending the current rates rebate criteria and amending the overall total from €375 to between €500 and €600.

Casual trading, he said, needed a review as the enterprises concerned did have to provide facilities or services. He called for a level playing field for all. It was acknowledged that considerable investment had been put in over the last number of years to fund and develop the tourism product. This investment, he noted, had been at a cost and said it was imperative that this was maintained so the full tourism potential of Donegal could be realised.

Cllr Mc Giolla Easbuig at this juncture proposed a vote of sympathy to the family of the Jim Chonaill Ó Domhnaill who had worked tirelessly for cancer patients and their families throughout Donegal.

A minute's silence was then observed by all present.

Cllr Meehan said it was important to put on record that the Budget Book as presented included €550k for Housing Maintenance, and €100k extra for the Minor Infrastructure and Public Lighting. These were items, he said, which the electorate were continually looking for.

He said that Cllrs could not on the one hand look for funding for specific items and at the same time be told that not enough money was available. He said that he could appreciate that businesses were facing difficulties and highlighted the need for a better rebate scheme for small businesses. This, he contended, needed to be part of the ongoing discussion. The overall issue here, he added, was the government funding model which was dysfunctional at best.

He cited the need for a realistic approach as not increasing the budget would only harm tenants, those in housing estates etc and ultimately impact on the bread and butter issues. A rates increase was the right thing to do at this point in time, he added, as better service delivery was dependent on the generation of sufficient revenue.

It was thus unanimously agreed to adjourn the meeting until 3pm.

C/457/25

ADJOURNMENT OF THE MEETING

On resumption of the meeting a further adjournment until 4pm was proposed by Cllr M Farren and seconded by Cllr Mc Garvey.

C/458/25 **CONSIDERATION OF THE 2026 DRAFT REVENUE BUDGET**

The Cathaoirleach informed the meeting that the Group Leaders were reviewing the revised figures and that these would then be presented to members.

C/459/25 **ADJOURNMENT OF THE MEETING**

On the proposal of Cllr Meehan, seconded by Cllr Mc Clafferty, it was resolved to adjourn the meeting until 5pm to facilitate this process.

C/460/25 **CONSIDERATION OF THE 2026 DRAFT REVENUE BUDGET**

The Cathaoirleach informed members that detail had been circulated in relation to the cuts required to facilitate an 0% increase. He asked if there were any other proposals.

Cllr C Brogan said there had been considerable discussion with the aim of delivering a positive budget at a time when record levels of funding was available. Having taken on board the concerns raised by members, he proposed, seconded by Cllr Harley that a 2% increase in commercial rates be applied in 2026. He outlined the various areas where funding was needed, including Housing Maintenance, Tidy Towns initiatives, and the whole area of Roads & Transportation put front and centre. Roads issues, he stated, could be brought to the fore at the monthly meetings citing traffic congestion and the impact of Active Travel works for traders in Letterkenny. He proposed that these be suspended from the 10th December 2025 to assist the business community in the town and that a traffic consultant be employed to assess and provide options to alleviate the ongoing congestion problem.

There were, he advised, many positive elements in the book and that the proposals for expenditure totalling €224m offered considerable opportunity for all involved. Attention was drawn to the fact that when funding was being sought at national level, there was always a requirement to show exactly what Donegal was prepared to contribute. A 2% increase, he stated, would facilitate investment and provide the executive with a level of confidence.

Cllr Harley said that the 2% increase would see borrowing capacity drop by €1m. The reality, he said, was that a lot of projects would not happen in the future. He referenced the fact that even with a 2% increase, housing maintenance would have to be reduced, and Tidy Towns funding reduced by €72k.

He acknowledged that it had been a difficult time for business but that €85m had come into the county under the various rural programmes. He referenced the fact that the SEED Project in Ballybofey/ Stranorlar would be most likely affected.

Cllr Mc Brearty said that he had not received the documentation as circulated and was informed by the Cathaoirleach that the figures would be shared online in due course.

He said that he did not agree with Cllrs Brogan and Harley. Letterkenny, was, he advised, impossible to get in and out of and people were discouraged from travelling to it. There were similar issues in Kilross, he added, where people were now taking back roads to avoid Ballybofey/ Stranorlar where the fault lay with the overall design aspect. He called on the elected members to stand up for small and medium businesses.

He said that he had made a request for a breakdown of the extortionate legal fees being paid by the Council and not detailed in the Budget Book this or any other year. He alluded to a particular business in Ballybofey where after the recent rates revaluation, there had been a quadruple increase in their rates liability from €10k to €35k.

Another area of concern, he said, was the fact that Defective Concrete Block Homeowners had to pay their Local Property Tax to get access to the Enhanced DCB Scheme designed around the false mica narrative. People, he said, needed to be put first and not the Council executive.

Cllr Mc Monagle said that the increased cost of living, and national taxation was having a significant impact on families whilst private developers were increasing rents. There was, he stated, considerable finance in circulation yet the Government were pushing Local Authorities to increase rates thus putting pressure on businesses to pay for services and impacting homeowners through the Local Property Tax. A 2% increase, he contended, would see hard pressed businesses transfer the costs to the general public. Issues such as the traffic problem in Letterkenny, lack of progress on the TEN-T, and the slow progression of the Letterkenny 2040 objectives etc were, he advised down to lack of investment by the Government. Thus, he said, that the Sinn Féin grouping were in favour of Cllr Mc Bride's proposal for a 0% increase in rates.

Cllr Mac Giolla Easbuig asked for clarity as to what would be voted on with the Cathaoirleach confirming that a vote would be taken initially on the counter proposal from Cllr Brogan.

Mr Richard Gibson, Director of Finance proceeded to outline the consequences of adjusting the Draft Budget figures and outlined the impact associated with a 2% and a 0% increase in commercial rates. See Appendix 1

Cllr Meehan at this juncture said that there was need to be honest with all concerned and contended that a 2% increase in rates was not an excessive burden. It amounted, he said to €4 per week for 90% of the

businesses in Donegal. He said that he supported the 2% increase but accepted that Donegal had challenges in terms of discretionary funding. An increase was needed, he added, to meet demand and provide adequate service delivery.

Cllr Mac Giolla Easbuig advised that he could not support the budget in light of the ongoing housing issues, the failure to address homelessness, lack of investment in our Piers and Harbours, Islands etc.

Cllr Mc Brearty asked what reserves the Council had which were not included in the Budget Book and was informed that that could be addressed after the meeting.

A vote was then taken by the Meetings Administrator in relation to Cllr C Brogan's proposal for a 2% increase in commercial rates for 2026. This resulted in 15 voting for and 20 voting against with one abstention.

Those voting in favour included:

Cllrs Blaney, Boyle, C Brogan, J Brogan, Canning, Coyle, Harley, Kavanagh, Kelly, Mc Dermott, Mc Gowan, Meehan, Molloy, Naughton and Scanlon.(15)

Those voting against included:

Cllrs Beard, Carr, Crossan, Devine, A Doherty, G Doherty, A Farren, M Farren, Jordan, Kennedy, Mc Brearty, Mc Bride, Mc Clafferty, Mc Garvey, Mc Gee, Mc Mahon, Mc Monagle, Murray, Nic Mheanman, and O' Fearraigh. (20)

Cllr Mc Giolla Easbuig abstained.

Thus, the counter proposal fell and it was therefore agreed that there would be no increase in commercial rates for 2026.

Cllr Blaney noted that there had not been an increase in rates from 2018. He said that discussions with business owners in Letterkenny had raised a number of queries namely,

- The suspension of Active Travel in Letterkenny over the Christmas period to assist access and increase footfall.
- Need for a traffic survey on all the junctions to see what could be utilised to improve the traffic flow.

Failure to adopt a 2% increase would, he added, also impact on social housing tenants, especially those living in defective concrete homes as monies for maintenance works would be reduced.

C/461/25 **SUSPENSION OF STANDING ORDERS – EXTENSION OF THE MEETING**

On the proposal of Cllr A Doherty, seconded by Scanlon it was resolved in accordance with Standing Order No 28 to suspend Standing Order No 3 and continue the meeting beyond 6pm.

C/462/25 **CONSIDERATION OF THE 2026 DRAFT REVENUE BUDGET**

Mr Patsy Lafferty, Meetings Administrator read into the record the required resolution for the adoption of the Scheme for the Abatement of Rates.

On the proposal of Cllr Harley, seconded by Cllr A Farren it was resolved that:

“Donegal County Council makes a scheme for the abatement of rates due to it by liable persons, or classes of liable persons, in respect of vacant properties in accordance with the provisions of Section 9 of the Local Government Rates and Other Matters Act 2019, as amended.

Such a scheme in respect of vacant property will provide for an abatement of 100% of rates due to Donegal County Council by a liable person for the financial year ended 31st December 2026.”

He proceeded to read into the record the resolution in respect of the adoption of an Early Incentive Payment Credit (EPIC).

On the proposal of Cllr Kennedy, seconded by Cllr Mc Gee, it was resolved that,

“Donegal County Council, in accordance with Section 66 of the Local Government Act 2001 (as amended), adopt for the financial year ended 31st December 2025 and Early Payment Incentive Credit Scheme (EPIC).

The Early Payment Incentive Credit Scheme will allow businesses to avail of a 7.5% reduction on their 2026 Commercial Rates Liability, to a maximum of €375, when paying their Commercial Rates liability in full by the 31st October 2026. The entitlement will be applied as a credit against the business’s Commercial Rates liability for 2027.”

The Meetings Administrator then read into the record the required resolution for the adoption of the 2026 Budget and the Annual Rate on Valuation.

On the proposal of Cllr Kennedy, seconded by A Doherty it was resolved that,

“Donegal County Council, in accordance with Section 103 of the Local Government Act 2001 (as amended), adopt for the financial year ended 31st December 2026 the Budget set out in Tables A and B, subject to

the amendments listed below, resulting in an Annual Rate on Valuation of 0.232 as shown in Table A, subject to Section 10 of the Local Government (Financial Provisions) Act 1978 and hereby adopted in accordance with Section 3 of the Local Government Rates and Other Matters Act 2019.”

Members were informed that as a result Draft Expenditure for 2026 had been reduced to €222,059,839 from the proposed figure of €224,034,793 resulting in budgetary difference of €1,974,954 with similar reductions on the income side.

The following analysis of the expenditure and income reductions by service was provided:

Expenditure Reductions

Service Division	Code	Description	Estimated by Chief Executive	Expenditure Adopted by Council	Net Change
A	A01	Maintenance & Improvement LA Housing Units	9,468,058	9,168,058	300,000
D	D06	Community & Enterprise Function	6,616,502	6,606,502	10,000
D	D09	Economic Development & Promotion	6,793,111	6,682,111	111,000
D	D11	Heritage & Conservation Services	1,123,392	1,023,392	100,000
E	E05	Litter Management	2,393,316	2,321,316	72,000
E	E15	Climate Change & Flooding	807,739	707,739	100,000
F	F02	Operation of Library and Archival Service	5,835,989	5,822,989	13,000
H	H11	Agency & Recoupable Services	8,844,106	7,605,152	1,238,954
J	J05	Human Resources Function	2,364,919	2,334,919	30,000
				Total	1,974,954

Income Reductions

Service Division	Code	Description	Income by Chief Executive	Income Adopted by Council	Net Change
RA	RA	Rates	41,474,042	39,499,088	1,974,954
				Total	1,974,954

Cllr Mc Dermott queried the status of projects including the Tús Nua Project in Carndonagh, Buncrana Leisure Centre, and the development of Malin Head in light of the 2026 budgetary reductions.

Mr Richard Gibson, Director of Finance said that over the past three years €35m had been borrowed to facilitate match funding. This he said, would help for some time but would not deliver all the projects in the pipeline. In the years ahead, he said that co-funding would be needed to assist with the delivery of the Capital Programme. Whilst there was no immediate jeopardy, he confirmed, that additional borrowing would be needed in the years ahead.

Cllr Mc Gowan said that members had agreed and named a lot of these projects with some fast forwarded and others not specifically named including a number in his own area. He asked what the position was in relation to these various initiatives.

The Director of Finance said that members could possibly benefit from a meeting to look at these projects and agreed to circulate a dedicated listing.

C/463/25

THREE YEAR CAPITAL BUDGET 2026-2028

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

On the proposal of Cllr C Brogan, seconded by Cllr Mc Dermott the Three Year Capital Budget 2026 -2028 was noted, and it was agreed that members would have a further opportunity in early 2026 to review the programme.

The Cathaoirleach confirmed that the proposals made earlier in relation to Letterkenny were now off the table given the decision to go forward with no increase in commercial rates.

Cllr Mc Gee said he wanted it made clear that the lack of monies for defective concrete blocks social housing was not the fault of the business sector but rather a consequence of the Government's failure to provide adequate funding. Cllr Beard concurred and noted that the business community had kept the Council going and should not be blamed or have to carry the can for failure at national level.

This concluded the business of the meeting.

Cathaoirleach:_____

Dated:_____