

MINUTES OF ADJOURNED BUDGET MEETING OF DONEGAL  
COUNTY COUNCIL, HELD IN THE COUNTY HOUSE, LIFFORD ON 1<sup>ST</sup>  
DECEMBER, 2017

C/478/17     MEMBERS PRESENT

Cllrs Gerry Mc Monagle, 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, A Glackin, M Harley, N Jordan, J Kavanagh, N Kennedy, M C Mac Giolla Easbuig, F Mc Brearty, M Mc Bride, J P Mc Daid, M McDermott, I Mc Garvey, P Mc Gowan, B McGuinness, J Murray, M Naughton , S O'Domhnaill, J S O'Fearraigh, B O' Neill, J Ryan and T Slowey.

C/479/17     OFFICIALS IN ATTENDANCE

Seamus Neely, Chief Executive, Joe Peoples, Director of Housing Corporate & Cultural Services / Meetings Administrator, John McLaughlin, Director of Roads and Transportation, Liam Ward, Director of Community, Enterprise & Planning Services, Garry Martin, Director of Finance, Information Systems & Emergency Services, Michael Mc Garvey, Director Water & Environment, Richard Gibson, Management Accountant, Anne Marie Quinn, Administrative Officer, Anne Marie Conlon, Communications Officer, Rosemary Mc Clafferty, Oifigeach na Gaeilge, Mary Frances Doherty, Assistant Staff Officer, Anne Marie Crawford, Staff Officer.

C/480/17     CONSIDERATION OF THE 2018 DRAFT REVENUE BUDGET

The Cathaoirleach welcomed members and staff to the adjourned Budget Meeting. On the proposal of Cllr Mc Gowan, seconded by Cllr Brogan it was resolved to adjourn the meeting until 2.30pm to facilitate ongoing discussion in relation to the 2018 budget.

C/481/17     ADJOURNMENT OF THE MEETING

On resumption it was resolved on the proposal of Cllr Jordan, seconded by Cllr Mc Brearty to further adjourn the meeting until 4pm.

C/482/17     ADJOURNMENT OF THE MEETING

On the proposal of Cllr G Doherty, seconded by Cllr Kavanagh a further adjournment until 6pm was proposed and unanimously agreed. It was unanimously agreed in accordance with Standing Order No 28 to suspend Standing Order Number 3 and extend the meeting beyond 6pm.

C/483/17 ADJOURNMENT OF THE MEETING

At 6pm a further adjournment until 7pm was proposed by Cllr Kavanagh and seconded by Cllr O' Domhnaill.

On resumption it was proposed by Cllr Jordan and seconded by Cllr Gallagher to adjourn the meeting until 8pm.

C/484/17 CONSIDERATION OF THE 2018 DRAFT REVENUE BUDGET

Cllr Gallagher thanked members and the executive all of whom she acknowledged had participated in the intense discussions surrounding the 2018 Budget. Unfortunately, she said, an agreed position could not be found despite the best efforts of all involved.

She thus proposed, seconded by Cllr Mc Brearty that the 2018 Draft Budget be adopted as presented with no cuts to services and a 7.5% increase in the Small Business Grant Scheme.

Cllrs Ryan and Brogan asked for clarification with regard to the proposed increase in the Small Business Grant Scheme and in particular the assumption that under this scenario 78% of commercial rate payers would end up with a lesser rate bill. Cllr O' Domhnaill asked if there was a cap on the 7.5% rate proposed.

Cllr Gallagher said that the grant would be payable to a maximum of €500 with 78% of businesses paying less in rates and 11% seeing no change in their contribution.

Cllr Naughton said that a 5% increase in rates would result in some of the bigger employers/ratepayers having to pay up to €10, 000 per annum extra on their rates bill. This was not acceptable, he advised, given the current economic situation, the reduced sterling rate and the whole Brexit scenario. Many, he advised, were simply not in a position to pay these monies at this point in time particularly with the minimum wage set to increase in January 2018.

Cllr O' Neill cited the need for an all inclusive agreement and suggested that the meeting be adjourned to allow for further discussion.

Cllr Brogan thanked the Cathaoirleach for facilitating the meetings with other parties. The Fianna Fáil grouping, he said, had taken a consistent approach both in the pre budget workshops and in discussions with the Executive over the past weeks. They were, he

added, confident that savings could be found over the next few months without placing any additional burden on medium and larger scale employers who had worked hard, sold assets and restructured during the course of the recession.

He cited the need for a quarterly income report, and the utilisation of Council assets so as to get a better overall return and a reduction in costs going forward.

The Fianna Fáil Grouping, he added, were of the opinion that the €1.533 million required should be taken from the Capital Reserves Account with all groupings working over the next twelve months to reduce costs in different areas thus facilitating a 0% increase in rates. This, he contended, would send out the message that Donegal County Council understood the challenges being faced by many employers.

He thus proposed, seconded by Cllr Naughton that €1.533 million be taken from the Capital Reserve Fund to balance the 2018 Budget and that Departmental approval be sought if required.

Cllr Mc Guinness asked for clarification in relation to the following:-

- Effect that taking monies from the Capital Reserve Fund would have on DCC Capital Projects.
- Implication for the Irish Open in 2018.

He called on members to show confidence in the Chief Executive and the Senior Management Team and cited the necessity of finding the middle ground so that all rate payers could be accommodated.

Cllr Farren speaking on behalf of the Labour party said that he could not support any increase in rates and that to increase same would send out the wrong message to businesses struggling to compete in the current economic climate.

Cllr Murray enquired as to what the knock on effect would be of utilising the Capital Reserve Fund and whether this was legally possible. He asked also as to what the implications would be for the Greencastle Breakwater Project and Buncrana Leisure Centre.

Cllr Garry Doherty also queried the legal implications of using the SRF and asked if there was €1.5 million available to spend in the fund. He asked if it was possible to sell Council assets and put the proceeds into the Revenue Budget.

Cllr Ryan asked that clarification be provided as to what the increase in rates would be for the 10% of ratepayers facing an increase in their bills. He enquired also as to what % of ratepayers had availed of the Small Business Grant in 2016.

Cllr Bonner alluded to the fact that a number of the largest ratepayers were to be found in the fishing industry and would be impacted severely by a 5% increase in the rates. His fear was, he said, that an increase this year would set in motion a dangerous pattern for future budgets.

Cllr Crossan said he was clearly of the opinion that businesses should not be lumbered with increased rates bills. He thus proposed the following:-

That the Development Fund Initiative be cut, the Members Development Fund doubled and the Small Business Grant Scheme scrapped and the shortfall made up with a 2.5% increase in rates.

Following a heated exchange between members the Cathaoirleach adjourned the meeting until 9pm.

C/485/17

CONSIDERATION OF THE 2018 DRAFT REVENUE BUDGET- CHIEF EXECUTIVE'S ADDRESS AND ADDRESS BY THE HEAD OF FINANCE

On resumption Cllr O' Domhnaill asked for clarification in relation to the following:-

- The percentage of persons availing of the Small Business Grant Scheme.
- Whether it was paid out to businesses in the current year or carried forward as a credit into the subsequent year.
- The projected increase in the contribution to the Northern & Western Regional Assembly.

He reiterated the fact that the business community could not afford any rate increases in light of the uncertainty with Brexit and the Sterling rate.

The Chief Executive addressing members gave an overview of the budget process alluding also to the financial standing of the Council in recent years. He advised that every effort had been made to facilitate Member's comments and requests.

The use of reserves, he stated, would not normally be the most appropriate way of balancing a revenue budget but noted that it had been acceptable to the Department as a means of navigating various financial challenges in recent years.

With regard to the proposal to use further reserves, this he contended, was not feasible as existing reserves were fully committed in their entirety to support the 2017 Outturn, the 2018 Budget and various capital projects.

The proposal to increase the Small Business Grant to 7.5% with a €375 cap was workable in principle; he confirmed and could also be claimed as a credit against the following year's rate demand or paid in the current year.

It was confirmed that there was a year on year increase in the demand from the Northern and Western Regional Assembly.

Mr Garry Martin, Director of Finance, Information Systems and Emergency Services advised of the following:-

- That 47% of businesses had been eligible for the Small Business Grant Scheme in 2017.
- A proposed 7.5% increase in the SBG would mitigate the proposed increase of 5% in commercial rates for approximately 89% of businesses. A number of specific scenarios were discussed.
- An increase in the SBG from 5% to 7.5% capped at €375 would necessitate an increase in budgeted expenditure in this area of €125,000 (from €250k to €375k)
- That the Small Business Grant afforded protection to smaller businesses.
- Confirmed that there was a €103,000 increase in the statutory contribution to the Northern & Western Regional Assembly, in budgetary terms, year on year.

Members debated further the implications of the Small Business Grant/ Commercial Rate proposal and the possible impact on small businesses. A number of suggestions were made including,

- That overdraft/loan facilities could be used as a substitute for the 5% increase in rates.
- Additional funding needed to be sourced at national level.
- Clarification sought as to the number of businesses expected to avail of the Small Business Grant and the associated costs.
- Departmental approval should be sought to access Capital Reserves

Mr Garry Martin, Director of Finance, Information Systems and Emergency Services advised that Capital Reserves were fully committed and alluded to a number of projects which were supported by the existing capital reserves.

He confirmed that loan funding would not be sanctioned for revenue expenditure/ budget purposes. Clarification was provided also regarding the effect of the proposed increase in the Small Business Grant Scheme.

Members were informed that 47% of businesses in 2017 had been eligible for the Small Business Grant Scheme with the cost to the Council expected to be €250,000.

C/486/17 ADJOURNMENT OF THE MEETING

A twenty minute adjournment was proposed by Cllr O' Neill and seconded by Cllr Kavanagh.

C/487/17 CONSIDERATION OF THE 2018 DRAFT REVENUE BUDGET

On resumption Cllr Mc Dermott said that if 47% of businesses were eligible for the Small Business Grant Scheme then 53% would not be in a position to avail of same and thus not be in a position to pay their bill on time.

Cllr Brogan contended that if a percentage of the commercial rates arrears were collected, then this would mitigate the requirement to increase the rate.

The Chief Executive provided clarification in relation to the accrual principles involved in accounting for commercial rates income and confirmed that a reduction in rates arrears would not lead to any additional income for the Local Authority.

Cllr Gallagher then proposed, seconded by Cllr Mc Brearty that the Small Business Grant Scheme be increased to 7.5% capped at €375 and the Draft Budget as presented be adopted.

At the request of members a recorded vote was then taken by the Meetings Administrator.

This resulted in 17 voting for with 15 voting against. There was one abstention.

Those voting in favour were:-

Cllrs A Doherty, G Doherty, L Doherty, Gallagher, Glackin, Harley, Jordan, Kavanagh, Kennedy, Mc Brearty, Mc Guinness, Mc Monagle, Murray, O' Fearraigh, O' Neill, Ryan and Slowey. (17)

Those voting against were:-

Cllrs Blaney, Bonner, Brogan, Canning, Conaghan, Crawford, Crossan, Donaghey, Farren, Mc Daid, McDermott, Mc Garvey, Mc Gowan, Naughton, and O' Domhnaill. (15)

Cllr Mc Bride abstained.

The 2018 Budget was duly adopted.

On the proposal of Cllr Kavanagh, seconded by Cllr Gallagher it was resolved that in accordance with Section 29(7)(b) of the Local Government Reform Act 2014, that the adjustment periods for the "specified areas" (as defined in Section 29(1) ) comprising the administrative areas of the former Bundoran and Letterkenny Town Councils cease on passing of this resolution, the base year adjustments for each of those areas having been hereby eliminated.

On the proposal of Cllr Murray, seconded by Cllr O' Neill it was resolved that in accordance with Section 29(4) of the Local Government Reform Act 2014 and having regard to the Ministerial order made under Section 29(8) (SI No 484 of 2017) it was resolved that the Base Year Adjustment for the specified area (as defined in Section 29(1) ) comprising the administrative area of the former Buncrana Town Council be adjusted to the sum of €19.52.

Cllr Gallagher proposed, seconded by Cllr O' Neill that in accordance with Section 103.(7) of the Local Government Act, 2001 that (a) the draft Local Authority Budget set out in Tables A & B including the amendment(s) detailed in the Schedule below be adopted and that (b) subject to Section 10 of the Local Government (Financial Provisions) Act 1978 and having regard to the Base Year Adjustment determined in accordance with Section 29 of the Local Government Act 2014 in respect of the administrative area of the former Buncrana Town Council that the annual rate on valuation be determined in the sum of €71.81 as shown in Table A.

Schedule

Expenditure Increases/Reductions

<b>Sub-Service</b>	<b>Sub-Service Title</b>	<b>Amount</b>
H0301	Administration of Rates Office	€125,000
H1101	Agency & Recoupable Services	-€125,000
<b>Net Total</b>		<b>€0</b>

Total Gross Income & Expenditure

	<b>Draft</b>	<b>Adopted</b>	<b>Difference</b>
Expenditure	€148,795,554	€148,795,554	€0
Income	€148,795,554	€148,795,554	€0

*The total gross income and expenditure budget in the sum of €148,795,554 remains unchanged.*

Cllr O' Domhnaill at this juncture asked that a recorded vote be taken in relation to the making of rate /adoption of the 2018 Budget.

The Meeting's Administrator then took a recorded vote which resulted in the following:-

17 voting for with 15 against and 1 abstention.

Those voting in favour were:-

Cllrs A Doherty, G Doherty, L Doherty, Gallagher, Glackin, Harley, Jordan, Kavanagh, Kennedy, Mc Brearty, Mc Guinness, Mc Monagle, Murray, O' Fearraigh, O' Neill, Ryan and Slowey.  
(17)



Those voting against were:-

Cllrs Blaney, Bonner, Brogan, Canning, Conaghan, Crawford, Crossan, Donaghey, Farren, Mc Daid, McDermott, Mc Garvey, Mc Gowan, Naughton, and O' Domhnaill. (15)

Cllr Mc Bride abstained.

The Cathaoirleach thanked Members and Staff for their contribution to the Budget process and the members of the media present for the comprehensive coverage of the event

Concluding the meeting, the Chief Executive thanked Members for their engagement acknowledging also the dedicated efforts of all involved in the preparation of the 2018 Budget.

This concluded the business of the meeting.