

**MINUTES OF THE JULY MEETING OF DONEGAL COUNTY COUNCIL
HELD ON MONDAY 19TH JULY, 2021 (ONLINE)**

C/125/21 MEMBERS PRESENT

Cllrs J Murray (Cathaoirleach), L Blaney, K Bradley, C Brogan, P Canning, T Conaghan, D Coyle, G Crawford, N Crossan, T Crossan, A Doherty, G Doherty, L Doherty, R Donaghey, M Farren, M T Gallagher, M Harley, N Jordan, J Kavanagh, D M Kelly, N Kennedy, M C Mac Giolla Easbuig, F Mc Brearty Jnr, M McBride, M Mc Clafferty, M McDermott, I Mc Garvey, N Mc Garvey, P Mc Gowan, B McGuinness, M McMahon, G Mc Monagle, A Molloy, M Naughton, J S Ó Fearraigh, and B Sweeny.

C/126/21 OFFICIALS IN ATTENDANCE

John McLaughlin, Chief Executive, Joe Peoples, Director of Housing, Corporate and Cultural Services / Meetings Administrator, Liam Ward, Director Community Development & Planning Services, Brendan O'Donnell, A/Director of Roads & Transportation, Richard Gibson, Head of Finance, Garry Martin, Director of Economic Development, Information Systems & Emergency Services, Michael Mc Garvey, A/Director of Water & Environment, Róise Ní Laifeartaigh, Rannóg na Gaeilge, Seán O'Daimhin, Rannóg na Gaeilge, Frances Friel, Communications Officer, Anne Marie Crawford, Staff Officer, Corporate.

C/127/21 VOTE OF SYMPATHY

The Cathaoirleach extended sympathy to the family of the late Brendan Ógie Ó Dufaigh, captain of the Monaghan Under 20 GAA team whose young life had been cut so tragically short. It was further resolved to write to the Ó Dufaigh family and to the Monaghan County Board extending condolences on behalf of the members of Donegal County Council. This was unanimously agreed and on the proposal of Cllr Mc Brearty seconded by Cllr Mac Giolla Easbuig it was resolved to adjourn the meeting for a short period as a mark of respect.

C/128/21 MICA ISSUE

Cllr Mc Brearty on a point of order queried the following:-

- (1) Why the Special Meeting on Mica on the 9th July was not streamed live?
- (2) Clarification sought as to why the County Solicitor was recommending going into committee to discuss the legal advice.
- (3) Names of the Donegal County Council Market Surveillance and Building Control Officers requested.
- (4) What had been done to date given the public safety issues for council tenants, RAS and HAP recipients together with all those who use our public buildings?
- (5) Will Donegal County Council publish all internal emails relating to the mica issue so that it can be established whether it acted at all times in the public interest?
- (6) Why was the outer leaf solution being recommended in certain instances when all the evidence suggests that this is a temporary fix?

(7) Why is Donegal County Council continuing to buy products from the manufacturer associated with the ongoing mica crisis?

Alluding to numerous allegations which had recently been circulated on social media, he said, that it was imperative that the executive provided a clear and precise response so as to allay any suspicion of wrongdoing.

It was shameful, he said, that homeowners were going to be out of pocket when they had done nothing wrong. Donegal County Council, the Government and the Department, he said, were pushing people down the route of the least cost option. There were clearly health and safety implications here, he added.

The mica scandal, he advised, had been covered up to date by an unjust and unconstitutional Government and as a result people's rights were being infringed. He called on the executive to provide clarification in relation to the various issues raised. A public enquiry, he contended, would ensure that all the answers were provided

Cllr Blaney queried whether the interjection from Cllr Mc Brearty was a point of order. He said that he agreed with much of what Cllr Mc Brearty had outlined, but that these were not points of order. He called on the Cathaoirleach to intervene as the meeting could not be run on the basis of continuous interjection by one individual.

The Cathaoirleach said that he would take the issues raised on a point of order and that the Chief Executive would respond in relation to the queries raised by Cllr Mc Brearty.

Cllr Mac Giolla Easbuig outlined his support for Cllr Mc Brearty.

C/129/21 **CONFIRMATION OF THE MINUTES OF THE MEETING OF DONEGAL COUNTY COUNCIL HELD ON THE 31ST MAY, 2021.**

On the proposal of Cllr I Mc Garvey, seconded by Cllr Blaney the minutes of the Meeting of Donegal County Council held on the 31st May, 2021 were adopted.

C/130/21 **CONFIRMATION OF THE MINUTES OF THE ADJOURNED MEETING OF DONEGAL COUNTY COUNCIL HELD ON THE 14TH JUNE, 2021**

On the proposal of Cllr A Doherty, seconded by Cllr Naughton the minutes of the Adjourned Meeting of Donegal County Council held on the 14th June, 2021 were adopted.

Cllr Mac Giolla Easbuig queried Minute C/134/21 and said that he had in his contribution at the meeting requested that the Palestinian flag be flown at all Council buildings during the month of August. This he advised was not reflected in the minutes.

Cllr Mac Giolla Easbuig thus proposed, seconded Cllr Mc Brearty that the Palestinian flag be flown at all Council buildings during August. Cllr T

Crossan said it was important that there was a show of solidarity with the Palestinian people and recognition of the injustices that had befallen them.

C/131/21 **CONFIRMATION OF THE MINUTES OF THE ANNUAL GENERAL MEETING OF DONEGAL COUNTY COUNCIL HELD ON THE 30TH JUNE, 2021**

On the proposal of Cllr Sweeny, seconded by Cllr Farren the minutes of the Annual General Meeting of Donegal County Council held on the 30th June, 2021 were adopted.

C/132/21 **DISPOSAL OF LAND AT STRAVALLEY, CARRICK, CO. DONEGAL TO THE LEGAL PERSONAL REPS OF JOHN BRESLIN**

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

On the proposal of Cllr Sweeny, seconded by Cllr Kennedy, it was resolved to dispose of land at Stravalley, Carrick, Co. Donegal to the Legal Personal Reps of John Breslin in accordance with the provisions of Section 211 of the Planning & Development Act, 2000 (as amended) and under Section 183 of the Local Government Act 2001, (as amended).

C/133/21 **THAT MEMBERS CONSIDER WHETHER THEY WISH TO PASS A RESOLUTION TO VARY THE LOCAL PROPERTY TAX IN COUNTY DONEGAL IN RESPECT OF 2022**

Members considered the report circulated with the agenda and a report circulated prior to the meeting which was presented by the Chief Executive.

Mr Richard Gibson, Head of Finance informed members that the Minister for Finance had in June 2021 announced changes to the Local Property Tax regime. The deadline for communicating a decision to the Revenue Commissioners on the local adjustment factor for 2022 was now the 31st August, he confirmed. He proceeded to outline the following changes to the Local Property Tax regime:-

- That the rate of tax is to be adjusted and the valuation bands widened to make the changes affordable and to maintain the overall structure of the Local Property Tax with the expectation that most homeowners will face no increase when properties are re-valued on the 1st November, 2021.
- Property valuations to be reviewed every four years.
- Properties constructed since 2013 which are currently exempt, will be liable to the charge from 2022 with new properties brought into the scheme on 1st November each year. An exemption from Local Property Tax will be provided for homes that have been damaged due to the use of defective concrete blocks in their construction and which are eligible for the Defective Concrete Blocks Scheme. The

exemption is expected to last for a period of six years.

He confirmed that as a result of the changes introduced by the Minister for Finance the rate of the tax would be adjusted and the valuation bands widened to make the changes affordable and to maintain the overall structure of the Local Property Tax. It was expected, he said, that most homeowners would face no increase when properties were re-valued on the 1st November. Attention was drawn to the schedule of existing valuation bands and the implications of the variations on page six of the report.

Members were informed that the public consultation process in relation to the Local Property Tax had run from the 21st June to the 9th July 2021, and that 18 submissions had been received. The Council, he advised, was required to notify the Revenue Commissioners of any decision to implement a local adjustment factor and the Minister for Housing, Local Government & Heritage in writing that it had passed a resolution setting the local adjustment factor and the rate of the local adjustment factor itself.

He proceeded to give an overview of the Council's current financial situation and outlined the potential implications of not varying the rate and thus reverting to the baseline together with the implications if the rate was varied by either +15% or -15%.

It was confirmed that a return to the base line would result in €1,677,903 less Local Property Tax income for Budget 2022 in comparison with Budget 2021. A decision to reduce the rate by 15% of the baseline would result in €3,367,555 less income for Budget 2022 whilst a 15% increase would generate up to €1,689,652 in Local Property Tax income.

Members, he said, now had to decide in accordance with Section 20 of the Finance (Local Property Tax) Act 2012 whether they wished to pass a resolution to vary the Local Property Tax in Donegal for 2022.

Cllr Mc Brearty said that he could not accept that the Council would not have the money to co-fund projects and that it had effectively mismanaged its finances. Alluding to recent correspondence from the Head of Finance in relation to his representations on behalf of mica victims, he said that the response had not answered his queries with regard to the financial implications of reducing the Local Property Tax. He called for a 15% reduction in the rate of the Local Property Tax for 2022 and said that members needed to stand up for the civil rights of their constituents.

He thus proposed, seconded by Cllr Mac Giolla Easbuig that a resolution be passed to vary the rate of the Local Property Tax in Donegal for 2022 by – 15%.

Cllr Mac Giolla Easbuig said that he did not want to be disrespectful to the Head of Finance, but it was evident that the executive were trying to sell the Local Property Tax on behalf of the Government. He was, he advised vehemently opposed to this tax and failed to see the benefits of same particularly in his own Municipal District.

Cllr Harley reflected on the benefits that had accrued from the Local Property Tax to date and noted that for the €72m allocated to date there was a co-funding requirement of €40m. He alluded to a range of projects county-wide that were currently being progressed and the need to focus on the tourism sector so that there could be a cascading effect for other businesses in the county. Another area that required investment, he said, was climate change and protections needed to be put in place in towns and villages throughout the county. He advised of the need to invest further in tourism initiatives so that Donegal could become the staycation capital of Ireland.

He thus proposed, seconded by Cllr Kavanagh that a resolution be passed to vary the rate of the Local Property Tax in Donegal by +15% from the baseline for 2022.

Cllr Kavanagh advised of the need to maintain services and for the Council to be in a position to avail of investment opportunities. This, he said, was a progressive tax and now was not the time to make changes. It was noted that there were no implications for Council tenants.

Cllr Mc Monagle said that he was totally opposed to it as a method of funding local government. He acknowledged that a lot of successful projects had come to fruition in the last few months and could see what the executive were trying to do. The Local Property Tax, he said, could not realise the funding necessary to successfully advance all the projects that were needed in Donegal.

He noted that a deficit was expected in 2022 and indications were that NPPR income would deplete significantly over the next number of years.

With regard to the mica crisis and the exemption for mica affected homes, he queried how this would be implemented and what information would home owners be asked to provide to get the exemption.

He contended that there should be an alternative way of funding local government and that residents and home owners should not have to foot the bill for service provision in Donegal.

He thus proposed, seconded by Cllr G Doherty that the members do not pass a resolution to vary the rate of the Local Property Tax in 2022.

Members thanked the Chief Executive and the Head of Finance for the excellent presentations and a lengthy debate then ensued with members raising the following issues:-

- General welcome for the fact that mica homeowners would be exempt from paying the tax for a six year period.
- Acknowledgement that many projects had got off the ground in 2021 and that continued investment and regeneration works were needed throughout the county.
- General consensus that Donegal County Council had taken a leap of faith in the implementation of its Capital Programme and that if this was to succeed access to investment capital was needed going forward.
- Outlined the need to support the Chief Executive and the Head of Finance. Call for members to wear the county jersey so that the people of Donegal could get the services, economic and social infrastructure that they deserved.
- Noted that significant supports had been put in place by central Government to support businesses over the past year and a half and that that this needed to be built on with ongoing investment in the Capital Programme.
- Acknowledged that Donegal County Council was spending over €1m per day and that there was an onus on the elected members to ensure that the relevant infrastructure was in place so that the Council's Strategic Investment Programme could be maintained and progressed.
- Comparative costs in Northern Ireland were in the region of €1000 per house.
- Request that up to date figures are provided when the new valuation bands are in place.
- Finance team complimented on the fact that the Council's revenue deficit had now reduced to €7m.
- The Local Property Tax is regressive and unjust and should be replaced by a wealth tax. It was deemed to be a stealth tax on family homes.
- Adverse impact for those homeowners in mortgage arrears.
- Concern that demands would issue to mica homeowners who had not yet opted to take part in the Defective Concrete Blocks Scheme. It was suggested that mica homeowners be allowed to avail of a self declaration option.
- Noted that the amnesty for mica homeowners would not be in place until 2022 and that this could only be availed of if the homeowner in question had registered for the scheme and all LPT payments were up to date.
- Concern expressed that 50% of the Local Property Tax collected was used to service Council debt.
- Contended that the public had a right to know where the monies were being spent and that the taxes collected in Donegal were administered centrally with Donegal receiving less than its fair share.
- Additional information sought in relation to the range of projects at Municipal District level that required funding and the implications of retaining the Local Property Tax at the same level as last year.
- Details sought regarding the projects that would not proceed if the Local Property Tax was not increased.

- Acknowledged that people did not have the same level of disposable income and as the cost of living, together with fuel costs, construction materials etc. had increased significantly they should not be asked to pay this stealth tax.

A number of acrimonious exchanges took place during the debate. Cllr Conaghan said that members were elected to do a job and what was going on here was time wasting. It was the duty of the members to do the best they could to ensure that Donegal flourished in the months and years ahead, he added.

ADJOURNMENT OF THE MEETING

C/134/21 Cllr Mc Brearty said that he wished to address the meeting on a point of order. A number of heated exchanges took place and it was unanimously agreed to adjourn the meeting for a short period.

C/135/21 **THAT MEMBERS CONSIDER WHETHER THEY WISH TO PASS A RESOLUTION TO VARY THE LOCAL PROPERTY TAX IN COUNTY DONEGAL IN RESPECT OF 2022**

On resumption Cllr Mc Gowan called on the Cathaoirleach to implement Standing Orders and the Code of Conduct as one member seemed to be continually dictating the course of the meeting.

Cllr Mc Brearty asked to be informed as to what rules had been broken and said that he was entitled to defend the interests of the people of Donegal.

The Chief Executive thanked members for their contribution and asked that they take into consideration the excellent work carried out by the Council over the last number of months together with the positive change in the overall financial position over the past 10 years. This, he said, was the first step in the budget making process and that were many other projects not outlined in the report which would come to fruition in the months and years ahead.

Mr Richard Gibson, Head of Finance noted that 2020 had been an unusual year and that despite the many challenges there had been a positive financial outcome. Prudent financial management, he advised, had been required to reduce the deficit as required by the Department and the Local Government Audit Service. It was noted that the Council deficit had reduced from €17m in 2013 to approximately €7m today.

He informed members that a decision not to vary the rate would result in a loss of Local Property Tax income of €1.7m. This would have significant implications for the Council's co-funding capabilities and members were advised of the need to reflect on what €1.7m could generate. The €1.7m, he stated, for co-funding purposes would generate €28.3m which was 70% of what was needed to advance the current Capital Programme.

This, he said, was not a day to look at what needed to be cut and

decisions in relation to service reductions were ultimately a matter for the elected members.

He noted that the Council had been on a positive financial trajectory over the last number of years and whilst a significant unfunded balance was not the way to go, there was still a requirement to have the necessary funding in place to fund infrastructural and economic development.

The Cathaoirleach called on the Meetings Administrator to clarify the position in relation to the three proposals now before the meeting.

Mr Joe Peoples, Meetings Administrator informed members that the following proposals were to be considered in the sequence outlined below:-

1. Proposal from Cllr Mc Brearty seconded by Cllr Mac Giolla Easbuig to vary the rate of the Local Property Tax in Donegal by -15% for 2022.
2. Proposal from Cllr Harley, seconded by Cllr Kavanagh to vary the rate of the Local Property Tax in Donegal by +15% for 2022.
3. Proposal by Cllr Mc Monagle, seconded by Cllr G Doherty not to pass a resolution to vary the Local Property Tax in Donegal for 2022.

Cllr Mc Brearty on a point of order said that he believed that there was considerable misinformation in relation to the Local Property Tax. He said that only those mica homeowners with an engineer's report would be able to avail of the LPT exemption. Numerous issues, he advised, required further clarification and the public needed to be fully informed in relation to the situation.

Cllr Blaney at this juncture said that prior to the commencement of the meeting following the adjournment a number of insults had been hurled at a particular Councillor and that these were of a discriminatory and bullying nature. He called on the Meetings Administrator and the Party Whips to sit down and deliberate on what should be done to eliminate this type of behaviour.

He proposed, seconded by Cllr Mc Clafferty that the meeting be adjourned.

Cllr Mc Clafferty concurred with Cllr Blaney and said that the business of the meeting was being disrupted by certain Councillors and that this needed to stop.

Cllr Mc Brearty called on both Councillors to confirm exactly who they were talking about.

Cllr Kennedy proposed, seconded by Cllr Mc Brearty that the meeting continue.

A recorded vote was then taken by the Meetings Administrator in respect of the counter proposal by Cllr Kennedy to continue with the meeting.

This resulted in 4 voting for with 30 voting against.

Cllrs Kennedy, Mac Giolla Easbuig, Mc Brearty, and Mc Bride.(4)

Those voting against included :

Cllrs Blaney, Brogan, Canning, Conaghan, Coyle, Crawford, N Crossan, T Crossan, A Doherty, G Doherty, L Doherty, Donaghey, Farren, Gallagher, Harley, Jordan, Kavanagh, Kelly, Mc Clafferty, Mc Dermott, I Mc Garvey, N Mc Garvey, Mc Gowan, Mc Guinness, Mc Mahon, Mc Monagle, Molloy, Naughton, Ó Fearraigh, and Sweeny. (30)

Cllr Mc Brearty said that it was imperative that he was included in any discussion regarding the continuation of the meeting.

The meeting was then adjourned until 3.30pm

On resumption the Cathaoirleach confirmed that the general consensus was that the meeting should be adjourned until a later date. He thus adjourned consideration of the remaining business until 11am on the 26th July.

He called on members to reflect on whether or not a good service had been provided for the people of Donegal and asked all concerned to return on the 26th determined to deal with the items before them.

He said that he was committed to working with all the members and urged all concerned to settle their differences so that the business of the Council could proceed in an orderly manner.