

COMHAIRLE CHONTAE NA GAILLIMHE
MINUTES OF THE STATUTORY BUDGET MEETING FOR GALWAY COUNTY
COUNCIL HELD AT ÁRAS AN CHONTAE, PROSPECT HILL, GALWAY, ON
MONDAY 25TH NOVEMBER 2019 AT 2.00PM

LLATHAR:

CATHAOIRLEACH:

Cllr. Mc Clearn, Cathaoirleach of County Galway

BAILL:

Comh./Cllr. T.Broderick, J.Byrne, I. Canning, L. Carroll, J. Charity, D. Collins, D. Connolly, M. Connolly, G. Cronnelly, J. Cuddy, S. Curley, T. Ó Curraoin, Aisling Dolan, Albert Dolan, G. Donuhue, G. Finnerty, D. Geraghty, S. Herterich Quinn, M. Hoade, P.Hynes, C.Keaveney, P. Keaveney, D. Killilea, G. King, P. Mac an Iomaire, M. Maher, E. Mannion, K. McHugh Farag, A. McKinstry, P. Murphy, A. Reddington, P. Roche, J.Sheridan, N. Thomas, S. Walsh, T. Welby

OIFIGIH:

Mr. Kevin Kelly, Chief Executive, Mr. G. Mullarkey, Head of Finance, Mr. J. Cullen, Director of Service, Mr. A. Farrell, A/Director of Service, Mr. M. Owens, A/Director of Service, Ms. C. Delaney, A/County Secretary and Meetings Administrator, Mr. M. McGovern, Management Accountant, Mr. S. Groarke, Administrative Officer, Ms F. Mitchell, Staff Officer, Ms C. Walsh C.O Mr. J. Moore C.O

Thosnaigh an cruinniú leis an paidir.

ITEM 1-CONSIDERATION AND ADOPTION OF BUDGET FOR YEAR 2020 3532

Cllr. McClearn welcomed the elected members, officials and the press to the Statutory Budget Meeting. He advised the members that they have two minutes each to address the meeting and then requested Mr. Kelly to make his presentation on the Budget.

Mr. Kelly referred to the first Budget of the last Council in 2015 which contained expenditure of €105m which was a reduction of €17m from the 2014 budget. The draft Budget for 2020 in comparison has expenditure of €130m which is an increase of €9.5m over the adjusted Budget in 2019.

In the context of the €25m increase in the budget over the past five years, he explained that it includes a €4m increase for Housing, €11m increase for Roads, €5m increase for Development Management, €1m increase for Environment, €900,000 increase for Recreation and Amenity. He advised that the additional funding is from National sources and is non-discretionary. The only recent funding from a discretionary source was in regard to the Housing rent review and the one year where the Local Property Tax (LPT) was increased.

He referred to the increased provisions listed on pages 4-5 in the context of the proposed rate increase which include €65,000 for Climate Change, €300,000 for National Pay Agreement, €250,000 for Housing Maintenance, €150,000 for Public Lighting, €150,000 for the Tidy Towns, €100,000 for unfinished Housing Estates, €250,000 for Road Maintenance, €75,000 for Burial Grounds, €175,000 for the Tourism Officer and Tourism initiatives, €100,000 for Traffic Management, €75,000 for Vacant Sites /underutilised sites, €25,000 for the Library Book Fund, €75,000 for Communications/Customer Service/ICT and €50, 000 for Arts/Culture in the context of Galway 2020.

He explained that the additional €1.3m increase in Rate Valuations refers to global valuations for Irish Water and other utilities. He referred to the proposed increase in the rate and advised that there has been no increase in the rate since 2009 and the current revaluation will not result in an increase in rate income.

He explained that the proposed ARV of €70.58 is well behind the surrounding counties of Mayo, Roscommon and Clare and that Mayo had increased its rate in 2018 and 2019.

He referred to the proposed Rates Payment Incentive Scheme which provided for a discount of 6% of the 2020 Rate Demand for small businesses whose current demand is not greater than €10,000 and who had their rate payments up to date. In the case of a €5,000 rate demand in 2019, the rate will increase to €5,300 in 2020 in line with the proposed 6% increase but the ratepayer will qualify for the 6% discount of €318 which amounts to a payment of €18 less. He explained that the rate reduction could apply to 2,600 businesses which amounts to 88% of the total.

He advised that the €1m extra funding from Minister Phelan is not contained in the budget but in any event would be treated as a contra item. He confirmed having made a submission to the Department in regard to this. He advised of the need for forward momentum and positive action and maintaining service delivery and in regard to this he referred to successful applications made by the Council for significant grant funding in excess of €12m and the aim is to maximise such opportunities. He anticipated that the Rural Re-Generation Team will be in operation soon.

He acknowledged the work of Mr. Mullarkey his staff and the Directors on the budget. He thanked Cllr. McClearn and his predecessor Comh. Ó'Tuairisg for their work and co-operation. He stated that the budget process is difficult as the Council is hampered by funding constraints and risks becoming trapped in a cycle of reducing income and increased services with customer dissatisfaction. He advised that the 2020 budget is intended to break this cycle and he commended it for adoption by the elected members.

Cllr. Mc Clearn then invited comments, clarifications and queries from the elected members. These are summarised as follows:

- It was requested that a Debt Management Report be provided in the new year containing an aged analysis of the debts i.e unpaid Rates, Rents and Housing Loans owed to the Council.

It was queried as to whether the funding allocation in the Budget is value for money as Central Management charges amount to €18.5m.

- The increase in the Budget from €105m in 2015 to €130m for 2020 was welcomed and it was recommended that the Council market its achievements better and provide photographs and graphs in the report.
- The meeting was advised that Galway City Council receives €30.8m in State Grants which amounts to €386.16 per capita, the County Council per capita allocation is €272.28 which is €113.86 less. On the basis of a population of 178,000 the Council should be getting €20.20m more in grants from Central Government.
- The proposed increase of 6% in the rate is not appropriate in light of the concerns about BREXIT and the issue of the REVAL 2021 letters. Businesses in small towns are struggling with the pub and grocery trade gone with many closures and they cannot take another hit with the cost of insurance and other increasing overheads. A number of Councillors expressed their opposition to the rate increase as small businesses are vulnerable.
- It was requested that the Clifden Area Office be upgraded as Tuam, Loughrea and Ballinasloe have more modern facilities.
- The fact that the Tourism Officer has commenced work was welcomed and it was requested that the work would include Conamara as well as the North and East of the County.
- An explanation was sought as to why the LPT funding in 2019 is €300,000 less than 2015 when it amounted to €14.967m as a lot of new houses were built since then. It was stated the LPT was supposed to fund the provision of services but the Council is left with a major shortfall and the Council is receiving the second lowest per capita share of LPT funding apart from Meath.
- Clarification was sought on the provision of 11 Housing Units at Tubber Road, Gort under the Capital Assistance Scheme and whether walking routes can

be provided for groups such as the GAA. It was queried if the cost of the Retrofitting Programme on page 152 is included in the €10m loan agreed by the Council.

- It was stated that the Council gets €2.936m from the Equalisation Fund and is not getting its fair share in comparison to Mayo €10m, Tipperary €19m and Donegal €21m even though Galway pays more LPT. It was suggested that the €1.4m offered last year which was contingent on agreement with the amalgamation and the €1m recently offered by Minister Phelan would not maintain one Regional road. The Council should be getting €20m in state funding.
- Each Municipal District could allocate two towns in the past for the Town and Village Enhancement Fund but there is no reference to this in the 2020 budget and clarification was sought.
- The direct cost in terms of service was queried i.e how much is spent on communities in comparison to fixed line/statutory obligations costs. It was stated that people's opinion is that response times are slower as services appear to be contracting.
- Work on the Ballinasloe Regeneration Scheme and Library was welcomed and the timelines for the refurbishment of the Ballinasloe Fire Station and the Dublin-Galway Greenway were raised.
- The €52,000 provision for Coastal Protection works and how the Council can get more funding for this was raised with the comment that sea levels are projected to rise by 5m by the end of the century and that coastal barriers and breakwaters are required.
- Concern was expressed in regard to the staffing levels and the fact that there is no increase in Road Maintenance staff and that retired people are not being replaced.
- Clarification was sought as to why the Council received €4.4m for Rural Water Schemes whereas Mayo received €15.5m. It was stated that coastal villages cannot develop without sewage treatment facilities and that the Council needs to make a case with Irish Water.
- It was suggested that when inflation is taken into account there are no increases in the Budget in real terms.

- In regard to the 3 Year Capital Programme it was suggested that consideration should be given to locating the new Fire Station for the City at the former Galway Airport site.

In response Mr. Kelly advised that a report on unpaid debts will be provided and that in accordance with the National Oversight and Audit Commission (NOAC) reports the Council measures up well in comparison with other local authorities as the collection for rates is in line with the average and the collection of rents and loans is above average, details of this are on the NOAC website. He explained that in regard to the proposed 6% increase in the rate, 88% of businesses would receive no increase and the expectation is that the revaluation process will deliver a more equitable distribution as smaller businesses with low/reduced trade should receive a rates reduction. He confirmed that the Tourism Officer's work will cover the whole County and that the reference to the North and the East refers to the fact that tourism is more established in the West of the county.

He advised that the allocation of the LPT is determined by the Revenue Commissioners and he assumes that the reduction of €300,000 is based on properties that have been revalued downwards. He stated that the Council had provided €500,000 each year for the Towns and Villages Renewal Scheme which it had to part fund from Capital in the last two years as it could not afford to do so from Revenue. There is no provision for this in 2020 as a number of national grant schemes are now available. He explained that there is no provision for Capital works in the Revenue Budget and details of these are outlined in the 3 Year Capital Programme. He confirmed that there is no provision for additional staff either outdoor or indoor and there is no funding provision in the budget for the Urban and Rural Regeneration team. He advised that the Council is still operating with a 30% reduction in staff and has one of the lowest spend per capita for items like ICT, libraries etc. and it has had to rationalise and consolidate to achieve increased service delivery with reduced resources.

Mr. Kelly also referred to the Training and Conference allocations to each Councillor and previous correspondence on same and advised that if they wish to re-allocate the €3,500 to NOM or to community grants that it needs to be done at the Budget meeting.

J. Cullen advised that the €52,000 allocation for Coastal Protection is based on the apportionment of salaries and that the Council will continue to make applications to the OPW as a lot of works are required.

He referred to the funding for Rural Water and advised that Mayo is at a different stage with a big Capital project and that the funding for County Galway will increase in future years.

M. Owens provided clarification in regard to the 11 Housing units to be constructed under the Capital Assistance Scheme (CAS) at the Tubber Road, Gort and details of the retrofitting costs associated with the existing Housing stock to be included in the €10m loan.

Cllr. Byrne suggested that now is not the right time to increase commercial rates and he proposed a motion containing a Schedule to amend the draft Budget. He explained that the estimated net €1m reduction in income due to the decision not to approve the 6% rate increase will be funded by reductions of €850,000 to discretionary expenditure and a requirement for vacant properties to pay 25% of their rate demand which will generate €150,000 in income. He noted that the transformation of the ground floor of a vacant commercial property to residential use does not require planning permission. The proposal to amend the draft Budget as proposed was **SECONDED** by Cllr. Welby.

The Schedule contained the following:

Reduction in rate income		Multiplier reverts to 66.59	1,779,477	
H0301	08081052	Administration of Rates Office	420,000	Removal of rates incentive scheme
H0303	08033001	Refunds and Irrecoverable Rates	359,477	Reduction in provision for vacant properties
Net reduction in Expenditure required			1,000,000	

Subservice	Job Code	Description	Reduction	
A0101	01021367	Maintenance of LA Housing Units	75,000	
B0405	02010501	Local Roads General Maintenance Works	50,000	
B0501	02016062	Public Lighting Operating Costs	110,000	
B0601	02082076	Traffic Management	100,000	
B1001	09016156	Administration of Roads Capital Programme	30,000	Fleet Management
D0501	04036051	Tourism Promotion	50,000	
D0501	04083080	Tourism Promotion	25,000	
D0701	04083050	Unfinished Housing Estates	100,000	
D0905	04034010	Economic Development and Promotion	125,000	Tidy Towns
E0901	05022050	Maintenance of Burial Grounds (provision)	25,000	
E1004	05033003	Derelict Sites	50,000	
E1501	05083056	Climate Change and Flooding	35,000	
F0204	06023001	Purchase of Books, CD's etc.	10,000	
F0502	06041020	Contributions to other Bodies Arts Programme	30,000	
H1101	08081165	Agency and Recoupable Service	35,000	ICT
			850,000	

H0303	08033001	Refunds and Irrecoverable Rates	150,000	Vacant properties relief reduce to 75%, adjusted for bad debt provision
		Total effect of amendments	1,000,000	

A number of the elected members expressed their concerns and opposition to the

measures outlined in the schedule including the 25% rate demand on vacant commercial properties and the reductions in funding for items such as the Tidy Towns, Rural Road maintenance, Housing maintenance, Derelict Sites, Climate Change and Housing Estates. Concerns were also expressed that towns such as Loughrea have no street cleaning service and that there are over 3,000 applicants on the Housing waiting list. Some Councillors advised that the 25% levy on vacant properties would stimulate movement to address this problem of dereliction with a good solution being to convert these to residential use.

Cllr. Killilea **PROPOSED** the following motion which was **SECONDED** by Cllr. Sheridan.

"I propose to amend the Budget to exclude the Tuam Local Electoral Area from the 25% vacant rates scheme"

A discussion took place in regard to this proposal. Some of the elected members stated their concerns if such a motion were passed. Cllr. Mc Clearn agreed to put this motion (Motion A) to a vote. The result of the vote was as follows:

FOR: (Vote 8)

Cllr. Colm Keaveney	Cllr. Donagh Killilea	Cllr. Gerry King	Cllr. Joseph Sheridan
Cllr. Karey McHugh Farag	Cllr. Mary Hoade	Cllr. Michael Connolly	Cllr. Seamus Walsh

AGAINST:(Vote18)

Cllr. Aisling Dolan	Cllr Alastair McKinstry	Cllr. Andrew Reddington	Cllr. David Collins
Cllr. Eileen Mannion	Cllr. Gabriel Cronnelly	Cllr. Geraldine Donohue	Cllr. James Charity
Cllr. Jim Cuddy	Cllr. Jimmy McClearn	Cllr. Joe Byrne	Cllr. Liam Carroll
Cllr. Michael Maher	Cllr. P. J Murphy	Cllr. Peter Keaveney	Cllr. Thomas Welby
Cllr. Tim Broderick	Cllr. Padraig Mac An Iomaire		

ABSTAIN: (Vote 8)

Cllr. Albert Dolan	Cllr. Declan Geraghty	Cllr. Dermot Connolly	Cllr. Noel Thomas
Cllr. Peter Roche	Cllr. Shane Curley	Cllr. Shelly Heterich- Quinn	Comh. Tomás O'Curraoin

Cllr. Mc Clearn declared that the proposal was not carried.

Cllr. Mc Clearn then put the first motion to adopt the Budget with amendments which was **PROPOSED** by Cllr. J. Byrne and **SECONDED** by Cllr. T. Welby (Motion B) to a vote. The result of the vote was as follows:

FOR: (Vote 20)

Cllr. Aisling Dolan	Cllr. Alastair McKinstry	Cllr. Andrew Reddington	Cllr. David Collins
Cllr. Eileen Mannion	Cllr. Gabriel Cronnelly	Cllr. Geraldine Donohue	Cllr. James Charity
Cllr. Jim Cuddy	Cllr. Jimmy McClearn	Cllr. Joe Byrne	Cllr. Karey McHugh Farag
Cllr. Liam Carroll	Cllr. Michael Maher	Cllr. P. J Murphy	Cllr. Peter Keaveney
Cllr. Peter Roche	Cllr. Thomas Welby	Cllr. Tim Broderick	Cllr. Padraig. Mac An Iomaire

AGAINST: (Vote 15)

Cllr. Albert Dolan	Cllr. Colm Keaveney	Cllr. Declan Geraghty	Cllr. Dermot Connolly
Cllr. Donagh Killilea	Cllr. Gerry Kling	Cllr. Ivan Canning	Cllr. Joseph Sheridan
Cllr. Mary Hoade	Cllr. Michael Connolly	Cllr. Noel Thomas	Cllr. Seamus Walsh
Cllr. Shane Curley	Cllr. Shelly Heterich Quinn	Comh. Tomás O'Curraoin	

ABSTAIN: (Vote 0)

No-Voting: (Vote 0)

Cllr. Mc Clearn declared the vote carried and the Budget adopted subject to this

amendment.

The following motion **PROPOSED** by Cllr. M. Connolly and **SECONDED** by Cllr. D. Connolly was **REJECTED** by Cllr. Mc Clearn as it did not contain details of corresponding funding to balance the Budget.

"I propose that we do not raise the base line rate of 3% for Ballinasloe"

Mr. Kelly referred to correspondence that he had circulated to the Members regarding the transfer of Training and Conference monies to other purposes. He indicated that he understood that there was a requirement on the Council and the Members to spend the funds available on the purposes prescribed by the Members through the passing of the budget. Therefore, if monies were to be transferred to other purposes this should be proposed and seconded and approved by the Members as part of the consideration of the budget. Mr. Kelly advised the members that he would encourage them to use the funds allocated for training and conferences but they had three options if they wish to allocate it elsewhere:

1. Nominate community groups for an allocation now
2. Transfer to community grants for agreed use
3. Transfer to NOM for allocation in accordance with the terms of the scheme

He explained that this was not to remove the discretion of the Members as the Members could still make the changes at the budget meeting but it would ensure that the budgeting accounting and expenditure would be carried out in an appropriate manner. He also explained that this a newly created practice and effectively established a two-tier community grants scheme with €91,000 being transferred between October 2018 and September 2019. For all of these reasons he confirmed that his advice to Council was to make the change recommended. Members expressed their dissatisfaction with what they felt was an attempt to control their discretion and after lengthy discussion it was agreed that this matter would be referred for further consideration by the Corporate Policy Group.

ITEM NO. 2 RESOLUTION TO ELIMINATE THE BASE YEAR ADJUSTMENT FOR THE FORMER BALLINASLOE TOWN COUNCIL WITH EFFECT FROM 1ST JANUARY 2020 3533

A discussion ensued about the fact that the passing of this amendment would not be in accordance with the budget directly passed by the Members. It was clarified by the officials that the requirement under the legislation was on a Resolution to determine the Annual Rate on Valuation, while having regard to the base year adjustment.

On this basis, there was no requirement for consideration of item 2 as the decision on the base year adjustment was part of the overall decision on the rate for the administrative area of the full county with a base year adjustment having effectively been eliminated.

ITEM NO.3 DETERMINATION, IN ACCORDANCE WITH THE BUDGET ADOPTED, OF THE RATE ON VALUATION TO BE LEVIED FOR THE FINANCIAL YEAR ENDING 31ST DECEMBER 2020 3534

Cllr. Mc Clean ruled that it is not a requirement to pass a resolution on this item as it is included in the budget as adopted.

ITEM 4-RESOLUTION TO APPROVE THE ESTIMATED OUTTURNS 2019 3535

On the PROPOSAL of Cllr. Maher, **SECONDED** by Cllr. Carroll, it was **AGREED** to adopt the estimated outturns for 2019.

ITEM 5-TO NOTE THE REPORT ON THE THREE -YEAR CAPITAL PROGRAMME 2019-2021 3536

It was noted

ITEM 6-TO NOTE THE ANNUAL PROGRESS REPORT ON THE GALWAY COUNTY COUNCIL CORPORATE PLAN 2015 -2019 IN ACCORDANCE WITH SECTION 134 OF THE LOCAL GOVERNMENT ACT 2001 (AS AMENDED)

3537

On the **PROPOSAL** of Cllr. Byrne, **SECONDED** by Cllr. Welby, it was **AGREED** to vary the vacancy refund rate to 75%.

ITEM 7-TO APPROVE THE RATES PAYMENT INCENTIVE SCHEME

3538

This item did not apply due to adoption of budget as amended.

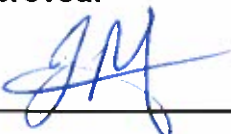
A number of motions were received in respect of the Training and Conference allocations for 2020, however these were deferred until a recommendation is reached from the Corporate Policy Group.

The Cathaoirleach thanked everybody who attended and declared the meeting closed.

Chriochnaigh an Cruinniú Ansin.

Submitted Signed and Approved:

Cathaoirleach:



Date:

17/12/19
