

MINUTES OF STATUTORY BUDGET MEETING HELD ON FRIDAY, 24TH NOVEMBER, 2017 AT 3.00 P.M.

Chair: David Fitzgerald

Cllrs: Eamon Aylward, John Brennan, Tomás Breathnach, Peter Cleere, Fidelis Doherty, Matt Doran, Michael Doyle, Pat Dunphy, Ger Frisby, Pat Fitzpatrick, Breda Gardner, David Kennedy, Andrew McGuinness, Patrick McKee, Joe Malone, Pat Millea, Michael McCarthy, Malcolm Noonan, Maurice Shortall and Sean Tyrrell.

Officials: Colette Byrne, Martin Prendiville, Tim Butler, Mary J. Mulholland, Sean McKeown, Kevin Hanley, Michael Delahunty, Declan McDonnell, Adrian Waldron, Seamus McGuire & Anne Maria Walsh.

Apologies: Cllrs. Mary Hilda Cavanagh & Patrick O'Neill.

Cllr. Fitzgerald sent best wishes to Cllr. Mary Hilda Cavanagh on the birth of her first grandchild. He sends mother and baby every good wish. All members were associated with the good wishes.

Cllr. Fitzgerald advised that 130 additional jobs for Kilkenny has been announced today and congratulated the Chief Executive and staff on their work in attracting these jobs to Kilkenny.

Cllr. Fitzgerald invited Ms. Colette Byrne, Chief Executive to address the meeting. Ms. Colette Byrne referred the members to her report included in the Draft Budget 2018 Book. She advised that there were many challenges in presenting a balanced budget for 2018. There is very limited scope in increasing income.

She referred to the following challenges which were relevant to the Budget 2018.

- Commercial Rates Revaluation Programme - Council not in a position to increase overall income in 2018 following this.
- Welcomed the valuation of new properties which will bring additional rate income.
- 62% of rate payers will see a reduction in rates.
- 35% of rate payers will see an increase in rates due.
- 3% will be new rate payers.
- Opportunity to harmonise rates now - the same multiplier will apply for all rate accounts.
- Kilkenny remains the second lowest in the Country - multiplier is 0.20.
- Decision by Members not to increase the Local Property Tax in September 2017.
- Prompt Payment Scheme will remain in place for 2018.
- Need to invest in infrastructure to grow the rate base.
- Draft Budget 2018 provides for new borrowing capacity to fund Capital Infrastructure.
- Priority is the delivery of Private & Social Housing and other Capital Projects such as Public Realm in the Abbey Quarter.
- Brewhouse re-development expected to commence in 2018.
- Included in budget is a reduction in supports to local communities and organisations. However, the budget still has a significant provision for numerous organisations and groups.
- Staff members in each Area Office will provide assistance to community groups to help them source funds.

Excellence as agreed by Members in the last few months.

- Contribution included towards Development Officer with FAI [other sporting organisations can apply to the Council for funding in 2019].
- Review of operation of the Civic Amenity Site in Dunmore will be undertaken during 2018 to deliver the service within the budget provided.
- Review of car parking charges is required to take account of the additional income included in the 2018 Budget.
- Key Capital Projects will also be progressed during 2018 which will enable an increase in economic activity.
- Tourism Strategy to be developed for one Kilkenny.
- Important issue is the homeless crisis in Kilkenny - Executive & Members need to work together on solutions to deliver more units.
- Some areas have had expenditure curtailed or deferred to get a balanced budget, but overall the cuts had been minimised.

Ms. Colette Byrne recommended the Draft Budget for adoption by the members.

She thanked all the staff for their work and commitment to the Council and the communities. She thanked the Management Team and Simon Walton who was Acting Director of Services during 2017.

She paid special tribute to Mr. Martin Prendiville, Head of Finance and to his staff for their work and noted that Kilkenny County Council has the second highest collection rate on commercial rates in the country. She acknowledged the role of the Cathaoirleach and the members in the preparation of the budget over the last few weeks.

Cllr. David Fitzgerald thanked the Chief Executive for her detailed overview of the budget and the work of all her staff in presenting an ambitious programme for the delivery of services across the County.

The role of the Elected Members and Executive was significant in delivering a balanced budget. Cllr. Fitzgerald acknowledged the role of all the Director of Services.

Cllr Fitzgerald invited Mr. Prendiville to give a PowerPoint presentation on the Rates and Budget 2018.

Mr. Prendiville advised that work commenced on the Draft Budget in July 2017. Decisions have been made on the Local Property Tax, Municipal District Budgets and discussions are ongoing with Irish Water.

He advised that the Council has maintained a relatively strong balance sheet position but overall capacity had been reduced in recent years with the completion of a number of Capital Projects.

A new loan of €13.5m was drawn down in 2016 and the 2018 draft budget made provision for new loan finance to be drawn down in 2018, subject to the necessary approvals. This loan finance would be required to fund new capital projects such as the Western Environs Infrastructure, the Abbey Quarter, Public Realm and match funding for the Butler Gallery.

He gave an overview on the following:

- Arrears on balance were reduced by €3m since the end of 2012.
- Kilkenny has the second highest collection of rates on commercial rates in the country.
- Workforce Plan - additional staff included in Budget.

- Additional staff/resources have been allocated to housing in previous budgets to meet the serious challenges.
- No increase in insurance premium in 2018.
- Pay restoration - 80% will be recouped from the Department, leaving a shortfall of €220k to be funded.
- Municipal District Budget - €160k down by €40k.
- Provision of matching funding for Public Realm in Abbey Quarter.
- Local Property Tax - allocation confirmed at €10.67m.
- Decision not to increase the Property Tax made by Members in September.
- Backlog of new commercial properties valued for 2018.

Mr. Prendiville referred to the PowerPoint presentation and gave details on the Rates Revaluation process and Rates Harmonisation [ARV] proposal.

In the presentation he outlined to Members the following:

- Rates Revaluation process which was carried out by the Valuation Office was now complete.
- Comparable ARV for both County & Borough Rates Authorities.
- 186 rate payers have lodged appeal with the Valuation Tribunal.
- Rates Income is capped for 2018 - under the Rates Limitation Order.
- Increased Income has arisen from new listings added to the rate book.
- 61% of accounts are reducing/delisted/amalgamated.
- 35% of accounts are increasing.
- Details presented on the number of accounts increasing/decreasing and examples of difference in Rates on some accounts.
- Harmonisation of Rates.
- Harmonisation will be completed for 2018 at minimised cost.
- Single ARV adopted in 2015 - €54.90.
- Borough is 8.674% higher than the county in 2017.
- ARV for both County and Borough must change.
- Income will decrease as a result of the Harmonisation process.
- Annual loss of income of €480k if Borough ARV is dropped to County.
- Budget 2018 - proposal to harmonise rate at the end of 2017 - details outlined in the presentation.
- Proposal to adopt an ARV of €54.70 now.
- Proceed to reduce the former Borough ARV on 24th November, 2017 - result in loss of income of €40k.
- Both County and former Borough accounts will be €54.70 on the 24th November, 2017.
- 1st January, 2018 all accounts will have to be increased by 2.30% to remain income neutral in 2018.
- ARV will go from .196 to .20 for 2018.
- Examples of the effect of this on the Accounts was illustrated in the presentation.
- Summary:
 - ♦ 1711 Accounts - will have rates reduced.
 - ♦ 357 Borough Accounts will increase.
 - ♦ 770 County accounts are increasing as a result of revaluation.
- Kilkenny ARV 0.20 is the second lowest in the Country.

Cllr. Fitzgerald thanked Mr. Prendiville for the detailed presentation.

Cllrs. Matt Doran and John Brennan complimented the Chief Executive, Head of Finance and staff on presenting a balanced budget. They spoke about the challenges in achieving this and also the ongoing investment in local communities. They stated that the budget as presented allows for many exciting projects to be progressive. Cllr. Maurice Shortall asked if the prompt payment incentive could be increased by 2.3% to 7.3% to offset the increase on the rural rate accounts.

Mr. Prendiville advised that there was no scope in the budget to increase the prompt payment grant as this would result in a loss of income which would have to be found somewhere. Mr. Prendiville also advised that in excess of 60% of former County rate customers would see a reduction in their rate demand in 2018.

Cllr. David Fitzgerald advised members that there are two resolutions to be considered in relation to the harmonisation and these will be dealt with now.

It was proposed by Cllr. Matt Doran, seconded by Cllr. John Brennan and agreed:

"That at the Annual Statutory Budget Meeting of the Elected Members of Kilkenny County Council held at County Hall, John Street, Kilkenny, on the day of 24th November, 2017, that the Annual Rate on Valuation for County Kilkenny be reduced from 54.90 to 54.70 forthwith."

It was proposed by Cllr. Matt Doran, seconded by Cllr. John Brennan and agreed:

"That at the Annual Statutory Budget Meeting of the Elected Members of Kilkenny County Council held at County Hall, John Street, Kilkenny, on the day of 24th November, 2017, that the Base Year Adjustment for the specified area viz the former Kilkenny Borough Council Rating Area which following the resolution passed immediately heretofore is 4.73, shall be eliminated with effect immediately and that the effective ARV(Net of Base Year Adjustment)of the former Kilkenny Borough Council Area harmonise with the effective ARV(Net of BYA)of the former Kilkenny County rating area, which following this resolution and the resolution passed immediately heretofore , is 54.70."

Cllr. David Fitzgerald advised that Mr. Prendiville will highlight some of the major items in each service division and referred Members attention to the first service area.

1. Service Division A: Housing & Building

Total Budget €15.864m

- Housing Maintenance - no change.
- Traveller Accommodation - reduction in cost of management service.
- RAS/Leasing - Budget based on number of properties in Scheme.
- Grants - 20% Local Contribution provided.

Cllr. Sean Tyrrell asked for clarification on budget for Housing Maintenance. Mr. Prendiville responded to the query.

On the proposal of Cllr. Peter Cleere, seconded by Cllr. Maurice Shortall and agreed:

"That the expenditure and income in Service Division A was considered and noted."

2. Service Division B: Road Transportation Safety

Total Budget €20.107m.

On the proposal of Cllr. Pat Fitzpatrick, seconded by Cllr. Peter Cleere and agreed:

"That expenditure and income in Service Division B was considered and noted."

3. **Service Division C: Water Services**

Total Budget €6.579m.

- Final recoupment with Irish Water to be agreed with Irish Water.
- No change in provision for cost of public conveniences.

On the proposal of Cllr. Ger Frisby, seconded by Cllr. Andrew McGuinness and agreed:

"That expenditure and income in Service Division C was considered and noted."

4. **Service Division D: Development Management**

Total Budget €8.693m.

- No provision for statutory plans included as reserve has been built up over the years.
- Provision of €40k for e-Planning Initiative.
- Reduction in provision for festivals by €10k to €95k.
- Contribution for Castlecomer Discover Park increased to €50k.
- Provision of €25k match funding for the PACE application for regional EJ funding.
- Provision of €40k for Regional Action Plan for Jobs.
- Kilkenny Archives increased to €15k.
- Allocation to LEO reduced by €10k.

Queries were raised by Cllrs. Gardner, Noonan and Tyrrell in relation to cost of external Consultants, Yulefest and operation of LEO. Mr. Prendiville, Mr. McKeown and Ms. Mulholland responded to the queries.

On the proposal of Cllr. Michael McCarthy, seconded by Cllr. Pat Dunphy and agreed:

"That expenditure and income in Service Division D was considered and noted."

5. **Service Division E: Environmental Services**

Total Budget €9.721m.

Queries arose from Cllr. Gardner in relation to Waste Management Enforcement and requested details of staff costs. Mr. Prendiville responded to the queries. Ms. Byrne advised that all pay scales are available on the Department websites.

On the proposal of Cllr. Peter Cleere, seconded by Cllr. Andrew McGuinness and agreed:

"That expenditure and income in Service Division E was considered and noted."

6. **Service Division F: Recreation & Amenity**

Total Budget €6.021m.

Queries arose from Cllrs. Noonan, Kennedy, Tyrrell, Gardner and Brennan in relation to provision for book fund, details of Library grants, provision for Development Officer with FAI and asked if other sporting organisations can apply for funding.

Mr. Prendiville and Ms. Mulholland responded to queries. Number of members objected to the provision of €25k for FAI Development Officer. Cllr. Fitzgerald advised vote will be taken in relation to the inclusion of the provision for the Development Officer.

Voting in Favour: 17 *Eamon Aylward, John Brennan, Tomás Breatlmach, Peter Cleere, Fidelis Doherty, Matt Doran, Michael Doyle, Pat Dunphy, David Fitzgerald, Ger Frisby, Pat Fitzpatrick, Andrew McGuinness, Patrick McKee, Joe Malone, Pat Millea, Michael McCarthy & Maurice Shortall.*

Voting Against: 3 *Breda Gardner, David Kennedy & Sean Tyrrell*

Abstain: 1 *Malcolm Noonan*

It was proposed by Cllr. Pat Fitzpatrick, seconded by Cllr. Fidelis Doherty that expenditure and income in Service Division F be considered and noted.

Vote in favour of expenditure and income in Service Division F was carried.

7. Service Division G: Agriculture, Education, Health & Welfare
Total Budget €636,800.

On the proposal of Cllr. Pat Millea, seconded by Cllr. Fidelis Doherty and agreed:

"That expenditure and income in Service Division G was considered and noted."

8. Service Division H: Miscellaneous Services

Queries was raised by Cllr. Gardner in relation to who was responsible for managing the project on the CAS Bridge and Castlecomer Road and environmental issues being held back from members. Mr. Butler responded and advised that final costs will be notified when they are all agreed. He stated that he is not aware of any environmental issues in relation to this project.

On the proposal of Cllr. Andrew McGuinness, seconded by Cllr. Tomás Breathnach and agreed:

"That the expenditure and income in Service Division H was considered and noted."

Mr. Prendiville thanked the members for their input and also thanked the Finance Staff for their work in preparing the Budget Pack for 2018.

It was proposed by Cllr. Matt Doran, seconded by Cllr. Eamon Aylward and agreed:

"That the Refund of Rates remains at 100% for the entire County in 2018"

It was proposed by Cllr. Michael McCarthy, seconded by Cllr. John Brennan and agreed:

"That the Budget of Kilkenny County Council for the financial year ending 31st December, 2018 as set out in Table B, be adopted."

It was proposed by Cllr. Andrew McGuinness, seconded by Cllr. Matt Doran and agreed:

"That the rates set in Table A, of the Draft Budget of Kilkenny County Council for the year ending 31st December, 2018 be determined in accordance with the said Budget to the Annual Rate on Valuation to be levied for that year for the purposes set out in Table A."

Cllr. David Fitzgerald thanked all involved and welcomed an agreed Budget by all Members.

That concluded the Business of the Meeting.

CATHAOIRLEACH

DATE