

# MINUTES OF STATUTORY BUDGET MEETING HELD ON FRIDAY, 23<sup>RD</sup> NOVEMBER, 2018 AT 3.00 P.M.

**Chair:** Eamon Aylward.

**Cllrs:** John Brennan, Tomás Breathnach, Mary Hilda Cavanagh, Fidelis Doherty, Matt Doran, Michael Doyle, Pat Dunphy, David Fitzgerald, Ger Frisby, Pat Fitzpatrick, Breda Gardner, David Kennedy, Andrew McGuinness, Patrick McKee, Joe Malone, Michael McCarthy, Pat Millea, Malcolm Noonan, Maurice Shortall & Sean Tyrrell.

**Officials:** Colette Byrne, Martin Prendiville, Tim Butler, Mary J. Mulholland, Sean McKeown, Declan McDonnell, Adrian Waldron, Sheasky McGuire, Michael Leahy, Josephine Coyne, Michael Delahunty & Anne Maria Walsh.

**Apologies:** Cllrs. Peter Cleere, Melissa O'Neill & Patrick O'Neill.

Cllr. Eamon Aylward opened the Statutory Budget Meeting and advised that there has been a Workshop, three Budget Sub Committee Meetings and a Special Meeting held In-Committee on the draft Budget 2019.

Cllr. Aylward invited Mr. Martin Prendiville, Head of Finance to give an overview on the Draft Budget.

Mr. Prendiville advised that work commenced on the draft Budget three months ago. Several Workshops/Meetings have been held with the Members. At the beginning of October the deficit stood at €2.361m. Since then provision on a substantial number of services were cut in order to produce a balanced budget.

He referred to a number of issues which relate to the work on the Budget:

(a) **Capital Budget**

The three year capital budget was approved by the Members in may 2018. A funding shortfall of €32m was identified for projects planned in the three year period. The 2019 budget provides for new loan finance of €5m in addition to the €5m provided for in the 2018 Budget. The Capital Programme will be revised in early 2019. Outstanding balances on completed Capital Projects are being paid off over a period of eight years from provisions made in the Revenue Budget.

(b) **Arrears Management**

The arrears on Rates, Housing Loans and Rents have reduced significantly over the five years. The percentage collection of Rates is the second highest in the Country.

In 2012, there were currently 306 Housing Loan accounts with arrears totalling €1.2m. There are currently 107 accounts with arrears totalling €400,000.

The total loan book has increased from €28m to €36m during this period.

(c) **Rates Harmonisation**

This was completed in 2018. There is now a single ARV for the City and County. Kilkenny has the fourth lowest ARV in the Country.

(d) **Rates**

Following the revaluation of all properties and the additional new valuation, the additional income from Rates in 2019 is approx. €50,000. It should be noted that there are 196 appeals to the Valuation Tribunal waiting to be heard. There is a risk that the valuations will be reduced resulting in a reduction in Rates income for 2019.

(e) **Local Property Tax**

This represents 13% of the total income. There has been no increase in local property tax since 2014. Members made a decision in September 2018 not to change the base rate. A 15% increase in the base rate would have yielded additional income of €1.1m for the Council for 2019.

(f) **Challenges**

- Implementation of Workforce Plan over a number of years. Ten additional staff included in the Budget for 2019.
- Pay Restoration - Department paying 80% of cost.
- Matching Funding required for a variety of grant schemes.
- Pension costs are increasing every year. Currently paying over 400 pensioners.
- Inflation - contracts costs are increasing.

Mr. Prendiville advised that in finalising the budget, and after discussions with Members, there is a change in the strike off in Rates on vacant properties from 100% to 90% and there is also a change in the Prompt Payment Incentive from 5% to 3%. The impact of these have been incorporated into the draft budget as presented.

The total draft budget as presented is €79.7m and was issued to Members last week.

Mr. Prendiville advised that since the draft budget was issued, the Council has received notification from IPB that there will be a dividend of €90,000. Members were advised of this additional income late last week. It is a matter for the Members to amend the budget to incorporate this additional income and outline where this money is to be allocated to.

Mr. Prendiville thanked all his staff and the Executive for the work in preparing the draft budget. He also thanked all the Members for their contributions and discussions on the various issues during the meetings held on the budget.

Cllr. Aylward thanked Mr. Prendiville for the overview.

Cllr. Matt Doran advised that the Elected Members have discussed the additional income and he is proposing the following amendments to the budget:

- Additional €30,000 to the Amenity Grants.
- Provision of €20,000 to Castlecomer Discovery Park.
- Additional €15,000 to FAI.
- Provision of €15,000 to GAA.
- Provision of €10,000 to Rugby.
- Additional €10,000 to Library Book Fund.
- Additional €2,000 to Kilkenny Archives.
- **Total Expenditure Amendments is €102,000.**

He further proposed that additional income of €12,000 could come from collection of Fire Charges.

Cllr. David Fitzgerald seconded the amendments as outlined and requested that any sports organisations be allowed to apply for the sports funding in 2020.

Contributions were received from Cllrs. D. Kennedy, M. Noonan, B. Gardner, T. Breathnach, M. Doran, M. Shortall & David Fitzgerald in relation to:

- Additional funding for Kilkenny Archives.
- Welcomed additional money to Book Fund.
- Value of Amenity Grants to the communities.
- Support of Sporting Organisations in their role in engaging the youth.

Mr. Prendiville responded to the queries raised and advised that the Sports Partnership will be involved in the funding for Sports organisations. There has been a lot of discussion in relation to the many areas where cuts have been made. It is not possible to provide additional funds to a lot of areas. Kilkenny County Council is spending considerable amount on archives in purchasing a photographic collection following the agreement of Members.

Cllr. Fitzgerald spoke about the new Council engaging in a long term strategy to provide additional funds for the next term of the Council. All areas that have seen a reduction in the budget could be restored if there is additional income.

Cllr. Aylward thanked all for their contributions and requested Members to proceed to the statutory process in the adoption of the Budget for 2019. He advised that a number of resolutions are to be considered in relation to Rates.

It was proposed by Cllr. Mary Hilda Cavanagh, seconded by Cllr. John Brennan and agreed:

*"That for the financial year ending 31<sup>st</sup> December 2019, in accordance with Section 31 of the Local Government Reform Act 2014 and SI 226 of the Local Government (Financial and Audit Procedures) Regulations 2014, the owners of vacant premises in all local electoral areas within the Council's administrative area shall be entitled to avail of a strike off up to a maximum of 90% of the total rates due (less arrears) for 2019".*

It was proposed by Cllr. Michael McCarthy, seconded by Cllr. Joe Malone and agreed:

*"That for the financial year ending 31<sup>st</sup> December 2019, Kilkenny County Council revises the Rates Incentive Grants Scheme to a grant of 3% of the 2019 rate demand (excluding arrears) up to a maximum value of €250 subject to the satisfying of existing terms and conditions."*

At this stage Cllr. Aylward requested Mr. Prendiville to 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 €16.5m*

- Housing Maintenance - down €100k.
- Traveller Accommodation Management - Outside Contract Cancelled - to be managed by Housing staff.
- Homeless expenditure increased - 90% recouped from Department.
- Capital Projects - Increased salary costs.
- RAS/Leasing - same as 2018.
- Provision for loan interest increased - current variable interest rate is between 2 - 3%.
- Grants - maintained as €1.5m, 20% funded by Kilkenny County Council.
- Increase in rental income arising from rent review and the addition of new units.
- Housing Loans income up due to the new loans being issued.

On the proposal of Cllr. Andrew McGuinness, seconded by Cllr. Fidelis Doherty and agreed:

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

## **2. Service Division B: Road Transportation Safety**

*Total Budget €22.3m*

- Grants allocation maintained at 2018 levels.
- Provision for local funds is €2.1m.
- Municipal District Allocation - no provision in 2019, to be reviewed for 2020.
- Outstanding Capital Balances on Road Projects being reduced annually over a period of eight years.

- Public Lighting - upgrading of lights being part funded with savings on energy costs.
- Increase in costs for car parking enforcement.
- Provision for loan for CAS Scheme.

On the proposal of Cllr. Michael Doyle, seconded by Cllr. Pat Fitzpatrick and agreed:  
*"That expenditure and income in Service Division B was considered and noted."*

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

*Total Budget €6.6m.*

- Budget provided is fully recouped from Irish Water.
- Provision for Public Conveniences same as 2018.
- Group Schemes - salaries increased due to recruitment of an additional Engineer.

On the proposal of Cllr. Michael McCarthy, seconded by Cllr. Sean Tyrrell and agreed:

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

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

*Total Budget €9.7m*

- Increase in staff costs in Forward Management & Planning Control.
- Provision of €50k for Statutory Development Plans.
- Tourism - Provision of €115k for Yulefest, Income budgeted at €50K.
- Medieval Mile Museum - increase of €75k towards operating.
- Kilkenny Archives - reduced by €5k - *Members propose change.*
- Woodstock - small reduction in maintenance.
- Castlecomer Discovery Park - *Members have proposed a contribution of €20k.*
- Grants to various bodies under Sub Service D06 have been maintained.
- Significant increase in SICAP, LCDC, Resettlement Programme, Healthy Ireland - all expenditure is fully recoupable.
- Provision for unfinished Housing Estates reduced by €10k to €40k.
- Economic Development - Local Funding to LEO reduced to €10k.
- Provision made for loan charges on Abbey Quarter and new Capital Projects - increase of €220k.
- Increase of €150k in Planning fee income.

Changes proposed to Service Division D for Castlecomer Discovery Park and Archives have been noted and amendments to this Service Division will be made.

On the proposal of Cllr. Pat Dunphy, seconded by Cllr. Ger Frisby and agreed:

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

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

*Total Budget 11.2m*

- Historic Landfills - all expenditure is fully recoupable.
- Additional provision for residential waste collection in City.
- Litter Control - Salary costs will increase due to re-allocation of staff within this Service Division.
- Waste Monitoring & Enforcement - reduction in the salary costs due to re-allocation of staff.
- Additional provision for Waste Management Planning i.e. Climate Action Plan.
- Civil Defence - increase provision as a full-time Civil Defence Officer has been appointed.

- Fire Services - reduced provision for bad debts.
- Water Quality - Provision for Water Framework [LAWCO] cost is fully recoupable.
- Fire Charges Income - *Members propose additional income to the draft budget.*

Changes proposed to Service Division E for increased income from Fire Charges have been noted and amendment to the Service Division will be made.

On the proposal of Cllr. Mary Hilda Cavanagh, seconded by Cllr. Tomás Breathnach and agreed:

*"That the expenditure and income as amended in Service Division E was considered and noted."*

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

*Total Budget €6.17m*

- Library - increase in salary costs for additional staff, book fund maintained. *Members propose an additional €10k for Book Fund.*
- Parks Maintenance - Increase of €150k in provision for maintenance based on actual costs being incurred.
- Amenity Grants Provision of €97k reduction of €30k. *Members propose an additional €30k for Amenity Grants.*
- Community Sports - Sports Organisation requests not provided for. *Members proposed an additional €40k for FAI, IRFU & GAA.*
- Arts - Provision of €35k for Music Generation.
- Contribution to Rothe House & Watergate maintained on same level as 2018.

Changes proposed to Service Division F for Library Book Fund, Amenity Grants and Sporting Organisations, through KRSP, have been noted and amendments to this Service Division will be made.

On the proposal of Cllr. Maurice Shortall, seconded by Cllr. Pat Fitzpatrick and agreed:

*"That expenditure as amended and income in Service Division F was considered and noted."*

## **7. Service Division G: Agriculture, Education, Health & Welfare**

*Total Budget €640,000*

- Veterinary Services - increase provision made and this is 90% recoupable.
- Dog Control - increased provision which is recouped.
- Horse Control - no change.
- Education - Higher Education Grants - all gone to SUSI.

Query arose from Cllr. David Kennedy in relation to expenditure on Horse Welfare. Mr. Prendiville responded to the query.

On the proposal of Cllr. Fidelis Doherty, seconded by Cllr. John Brennan and agreed:

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

## **8. Service Division H - Miscellaneous Services**

*Total Budget €6.45m*

- Provision for Rate Refunds/Strike Off - reduced by €255k due to proposal to allow only 90% instead of 100% strike off.
- Franchise Costs - Increased provision of €31k.
- Coroners - Increased provision of €28k based on actual costs in 2017 and 2018.
- Local representation - increase provision of €24k for Elected Members training.

- Motor Tax - all costs are fully recouped.
- Income - €716k included for Payroll compensation on Pay increases.
- *Draft Budget to be amended for IPB Dividend of €90,000.*

On the proposal of Cllr. Joe Malone, seconded by Cllr. Mary Hilda Cavanagh and agreed:

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

It was proposed by Cllr. Matt Doran, seconded by Cllr. David Fitzgerald and agreed:

*"That the following amendments be made to the 2019 Draft Budget"*

#### EXPENDITURE

Service Division	Code	Description	Expenditure Budgeted by Manager	Expenditure Adopted by Council	Net Change
D0502	43406070	Castlecomer Discovery Park	€0	€20,000	€20,000
D0905	47122012	Archives	€10,000	€12,000	€2,000
D0204	62314001	Library Book Fund	€80,000	€90,000	€10,000
F0301	63306001	Amenity Grants	€97,000	€127,000	€30,000
F0404	63206006	Sports Partnership	€25,000	€65,000	€40,000

#### INCOME

Service Division	Code	Description	Income Budgeted by Manager	Income Adopted by Council	Net Change
E1101	5412616N	Fire Charges	€110,000	€122,000	€12,000
H1101	8882202N	IPB Dividend	€2,300	€92,300	€90,000

It was proposed by Cllr. Pat Millea, seconded by Cllr. David Fitzgerald and agreed:

*"That the Budget of Kilkenny County Council for the financial year ending 31<sup>st</sup> December, 2019 as set out in Table B, be adopted as amended".*

It was proposed by Cllr. Pat Millea, seconded by Cllr. David Fitzgerald and agreed:

*"That the rates set in Table A, of the Draft Budget of Kilkenny County Council for the year ending 31<sup>st</sup> December, 2019 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 as amended".*

Both Cllr. Pat Millea and Cllr. David Fitzgerald thanked the management and staff for all their work in preparing this budget and for facilitating all the meetings with members. Both welcomed the additional funds for Amenity Grants and acknowledged the work of all communities in maintaining and improving their towns and villages with this grant. Cllr. Millea spoke about difficulties Members had to deal with due to the financial crisis over the last few years and difficult decisions were made by Councillors. Despite this the Council has continued to deliver the services across the City & County. Local Property Tax and car parking charges were not increased in the last five years.

Cllr. Fitzgerald welcomed the change in the strike off and hopefully this may encourage property owners to redevelop their premises. As this is Cllr. Millea's last budget meeting Cllr. Fitzgerald thanked him for his wisdom, help and contributions at all budget meetings.

Ms. Colette Byrne, Chief Executive welcomed the adoption of the Budget for 2019. She spoke about the many challenges that the Council has in delivering many worthwhile projects for the City & County. There will be many challenges facing a new Council in 2019 but Kilkenny has ambitions and the Council must remain positive. Ambitions will only be realised with additional resources. Ms. Byrne spoke about developing a strategy for the five years of the new Council in order to deliver the services across the County and also to deliver new projects.

Ms. Byrne thanked the Members for their input into the budget. This is an important reserved function for Members. She thanked Cllr. Millea for his wisdom and steady hand in delivering a balanced budget.

Ms. Byrne thanked the Head of Finance, his staff, the Directors of Services and their staff for their work in presenting a balanced budget. She also thanked the Cathaoirleach for guiding the Executive and Members through all the meetings and workshops on the Budget.

The Cathaoirleach, Cllr. Eamon Aylward thanked the Management Team and staff on achieving a balanced budget. He stated that it has been a difficult three months, starting with a deficit of €2.36m and eventually presenting a balanced budget.

He referred to the changes made to the draft budget today and in particular the funding for sporting organisations who promote sports for young people particularly with all the social problems such as mental health and child obesity.

Cllr. Aylward stated that post May 2019 the new Council will have to consider a strategy to fund a programme of works which will involve raising additional income from Rates, Property Tax, parking charges and other areas.

He said that €79.7m being spent annually in the Council is a significant factor for the ongoing development of our County.

Finally, he thanked all the Members for their input and consideration of the annual budget.

That concluded the business of the meeting.

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**CATHAOIRLEACH**

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**DATE**