

Minutes of Special Council Meeting held on Monday 29th September, 2014 at 4.00pm

Chair: Cllr. P. Millea

Cllrs: M.H. Cavanagh, M. Shortall, J. Brennan, P. Fitzpatrick, M. McCarthy, M. Doyle, B. Gardner, D. Kennedy, A. McGuinness, M. Doran, D. Fitzgerald, K. Funchion, J. Malone, P. McKee, M. Noonan, E. Aylward, T. Breathnach, F. Doherty, P. Dunphy, G. Frisby, P. Cleere, P. O'Neill, M. O'Neill

Officials: J. Mulholland, J. McCormack, M. Prendiville, S. Walton, B. Mernagh, M. Mullally, D. McDonnell, A. Waldron, B. Tyrrell, M. Delahunty, C. McCarthy and A.M Walsh.

Cllr. P. Millea opened the meeting and advised that he has been requested to allow the members time to consider the financial information received before the meeting.

It was proposed by Cllr. P. Millea, seconded by Cllr. M.H Cavanagh and agreed to adjourn the meeting for a minimum of 30 minutes. Members of the Corporate Policy Group were requested to meet management first.

Meeting resumed at 5.10pm.

Mr. Martin Prendiville, Head of Finance gave a PowerPoint presentation on the Local Property Tax (LPT) and the Budget 2015. In his presentation, he outlined to members the key issues for budget 2015, details of the Equalisation Fund, funding of capital balances through the Revenue account, National Rent Scheme, Rates collection and strike off's and additional cost on CAS Bridge contract. There is no additional income for 2015.

In relation to the property tax, the Council is required to make a decision by 30/09/2014 in order to notify Revenue Commissioners and the Department of Environment, Community and Local Government. Details of the impact of variation to the property tax were outlined – every 1% equates to +/- €76,600. Members are requested to consider a 5% increase which will yield additional income for Kilkenny County Council of €383,000.

Analysis of properties in County Kilkenny in each LPT Valuation Band were shown. There will be no additional funding from the Equalisation Fund to offset any reduction in LPT. Expenditure, various options on changes in the LPT were outlined showing the total expenditure reductions required. If there is no change in the LPT, a reduction of €450,000 is required in expenditure from the 2015 Budget to cover additional cost on CAS Bridge and reduction in Rental Income. Mr. Prendiville referred to the Appendix 1

circulated with the PowerPoint presentation – this sets out a list of possible discretionary cost headings to be reviewed to offset any funding shortfall.

Members were advised that under the Local Government Reform Act 2014, a general municipal allocation is required for each Municipal District. Kilkenny County Council remains the primary budgetary authority. The prescribed period for holding Municipal District budget meeting is during the period 1st – 10th October, 2014. The Acting Chief Executive is proposing a budget of €2,200,000 for the three Municipal Districts.

Contributions were received from Cllr's P. Millea, P. Cleere, K. Funchion, P. Fitzpatrick, J. Brennan, M.H Cavanagh, A. McGuinness, M. Doran, P. McKee, E. Aylward, M. Shortall, M. Noonan, P. Dunphy, P. O'Neill, Ml. Doyle, D. Fitzgerald, B. Gardner, T. Breathnach, F. Doherty, M. McCarthy, D. Kennedy, G. Frisby and M. O'Neill

Members in general stated that they were not in favour of increasing the property tax. Most members stated that they had hoped to be in a position to reduce the tax however due to the information received on the additional cost of the CAS Bridge, reduction in rent income etc., it is not possible to consider a reduction.

Cllr. K. Funchion referred to the submission made by Sinn Fein requesting a reduction of 4% or 5%. She outlined where savings could be made to enable the reduction to be considered. A number of members queried the Chief Executive as to why Management has not recommended a 15% increase on the property tax taking into consideration the issues which are impacting on the budget 2015.

The issues raised by members during the decision on the LPT are as follows:-

- Clarification on final additional cost of CAS Bridge, can legal costs be recouped
- Details of reduction in housing rent income
- Recoupment of storm damage costs
- Prospect for increase in rates income with growth in the economy
- What services will be reduced, need to protect services and employment in the council
- Can projects be funded over longer periods
- Urge executive to explore all options before any budget allocation is reduced, find way to minimise impact on services and communities.
- Perception that Kilkenny County Council is the only authority to increase property tax
- Can the Council sell assets
- Decisions should be made for the citizens of Kilkenny and not for political gain, all members to work together to lessen the impact on services
- Economic growth might enhance some Revenue income streams, are there new businesses opening.

- People expecting reduction in property tax and most Councils are reducing the property tax and people will be faced with bills for water also in 2015. Incomes for people are not increasing; an additional burden will fall on the less well off people in our community.

As the time had reached 6pm, it was proposed by Cllr. P. Fitzpatrick, seconded by Cllr. P. McKee and agreed that standing orders be suspended until the meeting is finished.

Mr. Mulholland, Mr. Prendiville and Mr. Walton responded in detail to the various queries raised by individual members.

Mr. Mulholland assured members that all areas of the Revenue account will be examined. There are additional costs for the CAS Bridge which have to be funded. He stated that services will be impacted if the property tax is not increased.

A number of projects can be deferred for 1-2 years or can be funded over a longer period. The council is required to adopt a balanced budget and there is a need for the council to reduce and eliminate the deficit on the Revenue account.

It was proposed by Cllr. M Doran, seconded by Cllr. M.H Cavanagh and agreed that

“We the members of Kilkenny County Council in pursuance of the provisions of Section 20 of the Finance (Local Property Tax) Act 2012 (as amended), hereby resolve that the basic rate of local property tax should stand unchanged for the period 1 November 2014 to 31st October 2015 in respect of relevant residential properties situated in the administrative area of Kilkenny County Council. The invariable rate shall take effect from the liability date in the year in which notification is sent to the Revenue Commissioners.”

It was proposed by Cllr. K. Funchion and seconded by Cllr. D. Kennedy that the property tax be reduced by 4% and that the following areas of expenditure be reduced:-

- Provision for rate strike off of €200,000
- Mortgage debt insurance - €57,000
- Reduction in allowances / expenses - Strategic Policy Committee - €15,000
- Reduce other expenses for conferences.

At this stage Mr. Prendiville stated that is it not prudent to reduce the provision for rate strike off as there is no major improvement in properties being used for commercial purposes. It is very unwise to cut any provision on mortgage debt insurance as there is an increasing number of properties being surrendered, repossessed and this fund will supplement the loss on the mortgages for the local authority.

There is a statutory requirement to pay elected members allowances and expenses.

There is no reference to the additional cost on the CAS Bridge being funded in the amendment.

Mr Mulholland stated that the areas where expenditure is proposed to be reduced in the amendment is unattainable and would be extremely difficult. The amendment in this case is not valid.

Cllr. P. Millea asked members to vote on the proposal that the property tax remains unchanged as the amendment proposed is not valid.

23 members voted for the proposal that the property tax remains unchanged - Cllr's P.

Millea, M.H.Cavanagh, M. Shortall, J. Brennan, P. Fitzpatrick, M. McCarthy, M. Doyle, B.

Gardner, D. Kennedy, A. McGuinness, M. Doran, D. Fitzgerald, K. Funchion, P. McKee, M.

Noonan, E. Aylward, T. Breathnach, F. Doherty, P. Dunphy, G. Frisby, P. Cleere, P. O'Neill,

M. O'Neill

Cllr. P. Millea thanked the members for their contributions at the meeting and for their input into the discussions before the meeting.

Members were requested to agree dates for the Municipal District budget meetings.

The following dates were agreed.

Castlecomer Municipal District – Friday 10/10/14 – 10.00am

Kilkenny City Municipal District – Friday 10/10/14 – 2.30pm

Piltown Municipal District – Wednesday 8/10/14 – 2.30pm

Meeting then concluded.

Signed:_____

Date:_____

Cathaoirleach