**Minutes of Statutory Budget Meeting of Galway City Council**

**Held on Monday 14th November, 2016,**

**at 4.00 p.m., in City Hall, College Road, Galway.**

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**Presiding: Cllr. N. Larkin, Mayor of the City of Galway**

**Present: Councillors: B. Cameron, C. Ó Conchúir, P. Conneely, C. Connolly, M.J. Crowe, O. Crowe, M. Cubbard, F. Fahy, P. Flannery, M. Farrell, P. Keane, M. Lohan, D. Lyons, D. McDonnell, N. McNelis, T. O'Flaherty and J. Walsh.**

**In Attendance: Mr. B. McGrath, Chief Executive**

**Mr. T. Connell, Director of Services**

**Mr. J. O’Neill, Director of Services**

**Ms. E. McCormack, Head of Finance / Director of Services**

**Ms. E. Ruane, A/Director of Services**

**Mr. D. Mahon, Meetings Administrator**

**Mr. G. McMahon, A/Senior Executive Officer**

**Ms. N. Moggan, Management Accountant**

**Ms. K. Lohan, Clerical Officer.**

Mayor Larkin welcomed Councillors to the Meeting. Ms. E. McCormack Head of Finance referred Councillors to the draft Budget 2017 Report issued to Councillors in advance of the Meeting and presented an overview of the process and the significant issues for consideration. Councillors were advised of the initial presentation of the Budget Strategy to the Corporate Policy Group on the 12th September 2016 and the decision not to vary rate of Local Property Tax for 2017 taken at the Ordinary Meeting of City Council in September 2016. An Outline Capital & Revenue Budget was submitted to Department Housing, Planning, Community & Local Government on the 23rd September 2016 and consultations with Corporate Policy Group were held on the 12th October, 1st November and 3rd November, 2016.

Ms. McCormack advised Councillors that decisions were now required on the Adoption of Annual Budget 2017, the determination of Annual Rate on Valuation to be levied for 2017, the determination of percentage of refund to apply in respect of commercial rates on vacant properties for 2017 and approval of Pilot Rates Payment Incentive Scheme for 2017.

1. **Consideration of Draft Annual Budget 2017 and adoption of Annual Budget 2017**

Ms. McCormack presented an overall Summary of 2017 Budget noting proposed budgeted expenditure of €75,003,305, no increase to ARV for Commercial Rates, no increase in Local Property Tax, an assumption that the commercial rates rebate on vacant premises will continue at 50% for 2017 and no increase in local charges. Additional expenditure on existing and new projects facilitated by increased income collection, other reductions in expenditure and realisation of efficiencies.

Expenditure proposals across the various Divisions and priority areas were then outlined by Ms. McCormack.

Service Division A Housing and Building Expenditure €18,387,949 Income €15,299,886

Main Provisions: Ongoing provision for maintenance of social housing stock; Provision for commencement of Boiler Replacement across our Social Housing stock; Additional provisions for Traveller Accommodation; Additional provision for Housing Management Company Charges; Homeless Services; Interest only repayments; Payment of Local Property Tax on Social Housing Stock; Resourcing of Housing Assistance Payment Scheme; Increased Rental income from Rent Review and Reduction in Loan Charges

Service Division B Road Transport & Safety Expenditure €12,188,009 Income €7,857,196

Main Provisions: Upper Knocknacarra – Road Safety Improvements; Introduction of eParking Facility; Replacement of Parking Meters and consequent increase in income; Increased provision for Footpath Repairs; Continuation of Roads LIS Funding for Councillors; Increased provision for Drainage Upkeep and Gully Maintenance and New National Shared Service – Road Management Office.

Service Division D Development Management Expenditure €4,701,640 Income €1,196,093

Main Provisions: Funding for new areas – Tourism, European Region of Gastronomy 2018 and AMIF – Asylum Migration and Integration Fund; Provision for Marketing & Promotion Fund; Social Inclusion Community Activation Programme; Continued support for Ireland West Airport Knock; Economic Strategy Development; Support for development of Gaeltacht Service Town; Provision for urgent repairs – Terryland and Merlin Park Castle and Continuation of support for Gaillimh le Gaeilge, Dúchas na Gaillimhe and Galway Volunteer Centre.

Service Division E Environmental Services Expenditure €10,488,818 Income €790,920

Main Provisions: Increased cost re Galway City’s Contribution to Shared Fire Service; Increased cost of Street Cleaning; Provision for European Green Leaf; Provision for Oil Spill Contingency Plan and Subvention for Recycling Facilities costs discontinued.

Service Division F Recreation & Amenity Expenditure €16,055,647 Income €4,246,225

Main Provisions: Increased provision to ECOC 2020 following successful bid, Shared Service contribution to Library Service; Matched Funding for Designated Urban Centre Grant Scheme and Museum/Town Hall Theatre Development; Continuation of Grant Funding of Arts Groups and Sports Clubs and Matched Funding for Sports Capital Grants; Increased Operational costs of Museum and Town Hall Theatre; Reduced subvention to Leisureland; Operational Costs for Parks, Pitches, Playgrounds, Open Spaces & Grass Cutting; Contribution to Lough Corrib Navigation Trustees; New provision for replacement of grass-cutting equipment and contractor support for maintenance of roundabouts; Kingston Master Plan; CCTV Westside Sports Complex and Millar’s Lane works; Increased provision for Playgrounds maintenance; Provision for Community Centres; Development of Public Realm Strategy and Funding Provision for Christmas Lights.

Service Division G Agriculture, Education, Health, Welfare Expend. €192,266 Income €34,459

Main Provisions: Operation of Dog Warden Service; Provision of Horse Control / Animal Welfare and Dog Licence Income.

Service Division H Miscellaneous Services Expenditure €9,217,117 Income €1,276,601

Main Provisions: Reduced provision for Irrecoverable Rates; Provision for Pilot Rates Payment Incentive Scheme; Costs relating to Register of Electors and Local Elections and Local Representation Costs; Shared Service Cost for Coroners and Inquests; Continued Compensation to Galway County Council for County at Large and Boundary Extension; NPPR and Property Entry Level Income; Increased Insurance Costs & Increase in IPB Dividend; Increased costs of payroll, pensions and gratuities; Compensation for unwinding of FEMPI and Reduction in Superannuation Contributions

Ms. McCormack also noted the Central Management Charges for Support Services and advised Councillors of the assumption that expenditure under Division C Water Services was fully recoverable from Irish Water.

In conclusion, Ms. McCormack noted that this Draft Budget supported the implementation of the Council’s Corporate Priorities for 2017, would drive the economic development of Galway City, ensure provision of funding to progress European Capital of Culture Designation, Designated Urban Grant Scheme and continuation of the Marketing & Promotion Fund, drive the inclusive and equitable socio-economic development of the city including funding for social housing, traveller accommodation, ensure provision for enhanced recreation and amenity facilities and ongoing significant funding for arts and related activities, refocus on legal and regulatory responsibilities , provide for Oil Spill Contingency Plan and increased costs for Fire Shared Service and revitalise the organisation by provision for filling of vacant posts, equipment replacement and ensuring a healthy and safe work environment.

Queries, clarifications and questions were invited by Mayor Larkin. Councillors offered compliments to Ms. McCormack and her team on the presentation and her availability to meet Councillors in advance of the meeting to discuss the Draft Budget. A number of Councillors sought specific clarification on expenditure items in the Draft Budget and this information was provided by the Head of Finance and relevant Director of Services. Councillors noted the positive achievements in 2016 and the allocation of funding across the programme divisions for 2017.

A summary of queries from Councillors included: funding commitments for European Capital of Culture from both local authorities and specifically the commitments outstanding from Galway County Council; shared services costs with Galway County Council; the proposed Rates Incentive Scheme and its operation, thresholds etc; grass cutting programme for 2017 and difficulties experienced in 2016; LAGS and interest rates applicable; Sailin – Silverstrand coastal protection scheme updates; Blackrock public lighting scheme updates; LIS scheme and its operation; Costs incurred on an annual basis to County Council for boundary extension; percentage of income collected from rate payers; purpose of funding allocated to Town Hall Theatre; proposed new city cemetery and progress on this project; proposals for an enhanced access to public libraries; provision of funding for grass cutting equipment and requirement to commence grass cutting earlier in 2017; funding for dog pound and income requirement from County Council due to number of dogs from the County; benefits accruing as a result of shared services e.g. MyPay; funding for bilingual activities and language development groups in the city; floral city initiative; proposed costs of Oil Spillage Contingency Plan; local income sources and reliance on same to balance the budget; employment of additional staff in key roles across the city; requirement for external groups funded to be fully accountable for the funds allocated and possibility of local elected representatives becoming board members of these funded groups to ensure accountability; playground maintenance funding and priorities; requirement to deliver on social housing commitments, homeless funding and issues arising; safety measures across the city and funding for same; operation of Ballinfoile and Knocknacarra Community Centres and subvention funds; provision and costs associated with CCTV in local estates, recreation facilities etc; traffic congestion, in particular issues, at Parkmore; establishment of proposed European Desk at City Hall to attract European funding and further develop networks; value for money requirements associated with housing expenditure and capital roads jobs; Green Leaf Initiative and funding allocated; funding allocated to Coroners and Inquests and ongoing requirement / appropriateness of same; requirement to allocate funding for urgent repair works at Shop Street; reductions in staffing levels since 2008 and impact on ability to deliver services; application of LPT Income and redistribution of surplus; rates collection levels and targets for 2017; programme of works at Southpark; overall housing rents increase and reasons for same; corporate sponsorship for roundabouts and progress on inviting expressions of interest; housing maintenance funding allocation for 2017 and requirements for same; provision of funding under the Marketing Fund.

A motion was proposed by Cllr. D. McDonnell and seconded by Cllr. P. Flannery to withhold funding for Shared Services to Galway County Council pending transfer of funding outstanding to Galway City Council and commitments for future funding for the European Capital of Culture. The motion was not considered at the Meeting.

Replies and clarifications on the issues raised were provided by Ms. McCormack Head of Finance, Mr. J. O’Neill, Ms. E. Ruane and Mr. T. Connell Directors of Services. A number of Councillors then sought and received clarifications on the replies issued. Further information not available at the Meeting to be provided to Councillors in due course.

Chief Executive Mr. B. McGrath then provided a comprehensive overview of the draft Budget and service delivery priorities for 2017. In relation to ECOC 2020 funding he stated that the bid will be funded by Galway City and County Councils and an agreement in principle will be in place to that effect. Mr. McGrath provided further replies and clarifications on the range of issues raised by the members noting priorities for 2017, including grass cutting, LIS and provision of new city cemetery.

Mr. McGrath noted the difficulties in bringing forward a balanced Budget with a flat income base and acknowledged that the Budget was predicated on no increase in commercial rates, LPT or other local charges. He referred to the range of challenges and opportunities facing the City and City Council in 2017 and outlined a further number of priority areas as referenced in the Budget document introduction.

Mr. McGrath complimented staff across the City Council for their work in 2016 and acknowledged the work of the Head of Finance in the preparation of the draft Budget. He stated that the overall funding model for local government needed to be revisited and re-examined and noted the impact on local resources arising from national decisions.

Mr. McGrath noted that some funding was outstanding to Galway County Council under a revised Shared Services funding model for Fire Services, the amount of which has not been agreed to date. He noted that discussions with the County Council were ongoing in this regard. Following discussion on this matter, Mayor Larkin proposed that a full report on the matter be issued to Members for their consideration at the December Meeting of Council. This was agreed.

Mr. McGrath provided a comprehensive set of replies to Councillors queries and recommended its adoption by the Members.

Mayor Larkin sought proposals on the adoption of the Budget as presented.

The following **Motion** to amend the Draft Budget 2017 was proposed by Cllr. M. Lohan and seconded by Cllr. C. Ó Conchúir who provided an overview as to the rationale and justification for the Amendments proposed.

**Income (Reduce) €**

Roads Budget Over-estimation 10,000

10% Increase in Vacant Commercial Premises Rates 100,000

Transient Occupancy Tax 1,250,000

LED Lighting 50,000

Termination of Mayoral Car – from June 2017 20,000

**Total Income**  **1,430,000**

**Expenditure (Additional) €**

Gaillimhe le Gaeilge 20,000

Galway Civic Trust 20,000

Galway Mountain Rescue 10,000

MADRA 20,000

Men’s Sheds Projects 15,000

Staffing Requirements for Ballinfoile & Knocknacarra

Community Centres 100,000

LED Lighting 100,000

Galway Paralympics Ireland Members 2,000

Housing Maintenance and Retrofit 1,123,000

Bádoiri an Chladaigh 20,000

**Total Expenditure: 1,430,000**

The following **Amendment** to amend the Draft Budget 2017 was proposed by Cllr. O. Crowe and seconded by Cllr. P. Keane who provided an overview as to the rationale and justification for the Amendments proposed.

**Income (Reduce) €**

Saving on public lighting 50,000

Income from secondary roads 10,000

Reduction of mayoral transport 35,000

Income from enforcement on Sunday's (52 weeks by 4) 208,000

Not including rates scheme. 270,000

**Total Income**  **573,000**

**Expenditure (Additional) €**

Pedestrianisation of the Prom and Shop Street 150,000

Increase in Marketing Fund. 130,000

Homelessness budget 100,000

Sunday's burials two staff 80,000

Enforcement cost Sunday's 40,000

White hall/bowling green 20,000

Gaillimh le Gaeilge 20,000

Umbro/Galway cup 20,000

Volunteer centre 8,000

Mountain rescue 5,000

**Total Expenditure 573,000**

Amendment to Budget 2017 Proposed by Cllr. O. Crowe and seconded by Cllr. P. Keane

**In Favour: 3 Against: 11 Abstain: 4 Present: 18**

**The Amendment was defeated.**

The following **Amendment** to amend the Draft Budget 2017 was proposed by Cllr. C. Connolly and seconded by Cllr. C. Ó Conchúir, M. Farrell and M. Lohan who provided an overview as to the rationale and justification for the Amendments proposed.

Civic Trust: That Galway City Council retain the previous funding allocated of €50,000 in GCC Budget 2017 to be taken from the Mayoral Car Increase.

Gaillimhe le Gaelige: That GCC retain the previous funding allocation of €50,000 in GCC Budget 2017 to be taken from the street cleaning budget

Cllr. Connolly also sought to propose that “GCC commits to the refurbishment of the Millennium Park Skate park” and that “GCC calls on the Government for a derogation to the staffing moratorium to permit GCC to appoint a road safety officer”. These Motions were not considered.

Amendment to Budget 2017 Proposed by Cllr. C. Connolly and seconded by Cllrs. C. Ó Conchúir, M. Farrell and M. Lohan

**In Favour: 4 Against: 14 Abstain: 0 Present: 18**

**The Amendment was defeated.**

The following **Amendment** to amend the Draft Budget 2017 was proposed by Cllr. D. McDonnell and seconded by Cllr. P. Conneely who provided an overview as to the rationale and justification for the Amendments proposed.

**Income (Reduce) €**

National Secondary Roads                                            B0206             10,000

Sunday Parking  - 1pm-6pm                                          B0903          170,000 (net)

                                                                                                                      180,000

**Expenditure (Savings /Reductions)**

Public Lighting                                                                 B0501            50,000

Social Housing Boiler Replacement Prog extend by one year  A0101            58,000

Street Cleaning                                                                E0601           50,000

Maintenance Playgrounds (reduce to €140K)           F0302            10,000

Repairs to Terryland & Merlin Castles (reduce to €155k)      D1101            15,000

Floral City Initiative                                                       F0301               3,000

                                                                                                                       186,000

**Total  Income                                                                                                           366,000**

**Expenditure (Additional) €**

Circle of Life Garden                                                      F0301             10,000

Gaillimh le Gaeilge                                                        D0404             20,000

Galway Volunteer Centre                                            D0601                5,000

Civic Trust                                                                       D1102              10,000

Forthill Cemetery                                                           E0901                 5,000

Old Mervue Cemetery Project                                    E0901                                    5,000

Baidori on Claddaigh                                                    D1103                                 15,000

Renmore Playground Equipment Replacement     F0302                                  10,000

Salthill Village Project                                                   D0901                                 15,000

Memorial Arch                                                               F0504                                 15,000

Mervue Community Centre Infrastructural Imp  F0403                  20,000

Replacement Stonework & Flowerbeds at Westside F0301                                5,000

Hurling Wall in Westside/Rahoon                              F0404                                    5,000

Increase in Marketing Fund                                         D0501                               101,000

City Centre Pedestrian Area Improvements             B0405                                100,000

Lighting at Blackrock                                                    B0502                                     5,000

Menlo Castle Gatelodge (year 1 of 2)                      D1101                                 15,000

Galway Cup                                                                     D0404                                   2,000

Oaklands Improvements                                             F0301                                    3,000

**Total Expenditure**                                                                                                   **366,000**

Ms. McCormack advised Councillors that the additional grant funding for the Marketing Fund provided in the amendment proposed above could not be ring-fenced for specific groups. All groups must apply for funding in accordance with the Guidelines under the administration of the Fund.

Amendment to Budget 2017 Proposed by Cllr. D. McDonnell and seconded by Cllr. P. Conneely

**In Favour: 11 Against: 7 Abstain: 0 Present: 18**

**The Amendment was carried and then became the substantive Motion.**

Motion to Adopt Budget 2017 with amendments as proposed by Cllr. D. McDonnell and seconded by Cllr. P. Conneely

**In Favour: 11 Against: 7 Abstain: 0 Present: 18**

**The Motion was carried and Budget 2017 was approved.**

**2. Determination in accordance with the Annual Budget adopted of the Annual Rate on Valuation to be levied for the several purposes specified in the Annual Budget for the financial year ending 31st December 2017.**

Ms. McCormack referred Councillors to the requirement to determine in accordance with the Annual Budget adopted of the Annual Rate on Valuation to be levied for the several purposes specified in the Annual Budget for the financial year ending 31st December 2017.

On the proposal of Cllr. D. McDonnell and seconded by Cllr. D. Lyons the Members approved;

That the Annual Rate on valuation to be levied for the several purposes specified in the Annual Budget for the financial year ending 31st December 2017 be €67.4009.

**In Favour: 17 Against: 0 Abstain: 0 Present: 17**

**The Annual Rate on Valuation was adopted**

**3. The decision to determine the proportion of refund to apply in respect of Rates on vacant properties in each local electoral area in Galway City.**

Ms. McCormack referred Councillors to the requirement to determine the proportion of refund to apply in respect of Rates on vacant properties in each local electoral area in Galway City.

It was proposed by Cllr. D. Lyons and seconded by Cllr. P. Conneely that a refund of 50% apply in respect of Commercial Rates on vacant properties in each local electoral area in Galway City.

**In Favour: 17 Against: 0 Abstain: 0 Present: 17**

**The rate of 50% refund on vacant properties was adopted**

**4. Pilot Rates Payment Incentive Scheme for 2017**

Ms. McCormack referred Councillors to requirement to consider introduction of a Pilot Rates Payment Incentive Scheme for 2017.

It was proposed by Cllr. B. Cameron and seconded by Cllr. D. Lyons that a Pilot Rates Payment Incentive Scheme for 2017 be introduced.

**In Favour: 14 Against: 3 Abstain: 0 Present: 17**

**The Pilot Rates Incentive Scheme 2017 was adopted**

**Motions Considered**

The following Motion was proposed by Cllr. T. O'Flaherty and seconded Cllr D. McDonnell.

"I am calling on the Director of Services to write to the County Council seeking funding towards the Galway Dog Pound considering that a high number of dogs from the County are dropped into the Galway City Dog pound"

**In Favour: 16 Against: 0 Abstain: 1 Present: 17**

**The Motion was carried**

The following Motion was proposed by Cllr. C. Connolly and seconded Cllrs. C. Ó Conchúir, M. Farrell and M. Lohan

"That GCC deplores the total inadequate funding of the Local Authority”

**In Favour: 13 Against: 0 Abstain: 4 Present: 17**

**The Motion was carried**

The Meeting ended at 7.35 pm