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**MIONTUAIRISCÍ AN CRUINNIÚ DE COMHAIRLE CONTAE CHIARRAÍ A THIONÓLADH I SEOMRA NA COMHAIRLE, ÁRAS AN CHONTAE, TRÁ LÍ, AR AN LUAN 22 MÉAN FÓMHAIR 2014.**

**MINUTES OF THE MEETING OF KERRY COUNTY COUNCIL HELD IN THE COUNCIL CHAMBER, ÁRAS AN CHONTAE, TRALEE ON MONDAY 22<sup>ND</sup> SEPTEMBER, 2014.**

**PRESENT/I LÁTHAIR**

**Councillors/Comhairleoirí**

R. Beasley	J. Brassil	M. Cahill
P. Connor-Scarteen	B. Cronin	J.J. Culloty
P. Daly	T. Ferris	J. Finucane
S. Fitzgerald	J. F. Flynn	N. Foley
M. Gleeson	D. Healy-Rae	J. Healy-Rae
N. Kelleher	M. Kennelly	S. Locke
D. McCarthy	P. McCarthy	T. McEllistrim
J. Moloney	N. Moriarty	D. Nolan
T. O'Brien	B. O'Connell	M. O'Shea
L. Purtill	D. Quigg	J. Sheahan
G. Spring	A. Thornton	

**IN ATTENDANCE/I LÁTHAIR**

Ms. M. Murrell, Chief Executive	Ms. A. McAllen, A/Head of Finance
Mr. J.D. Flynn, Dir. of Corp. Servs.	Mr. J. Breen, Dir. of Housing & C&E
Mr. J. Kennelly, A/Dir. Water Services	Mr. C. O'Sullivan, Dir. of Op., Health&Safety
Mr. B. Looney, Head of IT	Mr. M. O'Donoghue, SEO HR
Mr. G. O'Brien, Meetings Admin.	Ms. K. Moriarty, A/SEO Finance
Mr. P. O'Shea, A/SEO Finance	Ms. K. Lynch, AO Finance
Mr. J. McCarthy, AO Finance	Ms. M. West, AO Op., Health & Safety
Ms. N. O'Sullivan, AO Tourism Dev.	Mr. L. Brosnan, AO Planning
Mr. J. Purcell, SEE Corporate Aff.	Mr. P. Corkery, Press & Comm. Off.
Mr. P. O'Connor, SSO Finance	Ms. B. Reidy, SSO Corporate Affairs
Ms. S. Sheridan, SSO Finance	Ms. K. Kennelly, Arts Officer
Ms. L. Breen, SO Killarney MD Off.	Ms. C. O'Connor-Galvin, SO Finance
Mr. R. Tangney, ASO Finance	Mr. B. Doolan, ASO Finance
Mr. J.J. Canty, CO Finance	Ms. G. Cotter, CO Finance
Ms. O. O'Shea, C.O. Corp. Affairs	

The meeting commenced at 2.05pm

The Cathaoirleach, Cllr. J. Brassil, took the Chair.

### **Congratulations to the Kerry Senior and Minor Teams**

On behalf of the Council the Cathaoirleach congratulated the Kerry Minor and Senior Teams on their outstanding achievement on winning both the Minor and Senior All Ireland titles at the weekend. He also congratulated Mr. Jack O'Connor, Manager of the Minor team and Mr. Eamon Fitzmaurice, Manager of the Senior Team on bringing this honour to the county. He PROPOSED that a Civic Reception would be held to honour both teams at the earliest opportunity.

Cllr. J.J. Culloty SECONDED this proposal and it was unanimously agreed.

### **Approval for the opening of Tenders**

Mr. G. O'Brien informed the meeting that approval was required for the opening of 3 tenders which he outlined to the meeting.

- (a) On the PROPOSAL of Cllr. T. O'Brien, SECONDED by Cllr. M. Gleeson it was agreed to approve the opening of tenders for Thin client terminals and management software - Closing date: Monday 6<sup>th</sup> October, 2014 at 2pm.
- (b) On the PROPOSAL of Cllr. N. Foley, SECONDED by Cllr. J. Finucane it was agreed to approve the opening of tenders for Mitchels Area CCTV - Closing date Tuesday 7<sup>th</sup> October, 2014 at 12 noon.
- (c) On the PROPOSAL of Cllr. N. Foley, SECONDED by Cllr. J. Finucane it was agreed to approve the opening of tenders for the Construction of three housing units at Mitchel's Road, Cloonmore, Tralee – Closing date Wednesday 8<sup>th</sup> October, 2014 at 12 noon.

### **Approval to attend AILG Training Events**

Mr. G. O'Brien informed the meeting authorisation was required for Cllr. P. McCarthy to attend the following AILG Training Events:

- (a) Housing to be held on the 16<sup>th</sup> October, 2014 in Nenagh.
- (b) Planning to be held on the 6<sup>th</sup> November, 2014 in Wexford.

On the PROPOSAL of Cllr. J.F. Flynn, SECONDED by Cllr. P. Connor Scarteen it was agreed to authorise Cllr. P. McCarthy to attend these events.

### **LAMA Seminar**

Mr. O'Brien advised members that a late notification was received for the upcoming LAMA Seminar which will be held on the 17<sup>th</sup> & 18<sup>th</sup> October in Buncrana, Co. Donegal. If members wish to attend they should put their names down and authorisation will be sought at the end of the meeting.

#### **14.09.22.01 Report of the Chief Executive on the setting of a Local Adjustment Factor for Local Property Tax for 2015**

Ms. M. Murrell informed the meeting we are now in the statutory process for Budget 2015. Her report dated 17<sup>th</sup> September, 2014 was circulated together with (1) the Budget 2015 Strategy Report (2) Frequently Asked Questions (3) Specific Questions and (4) Estimated Expenditure Table. Ms. Murrell pointed out in accordance with Section 20 of the Finance (Local Property Tax) Act 2012 as amended by Section 5 of the Finance (Local Property Tax) Act 2013 a Local Authority may as a reserved function resolve to vary the basic rate of the Local Property Tax within its functional area by a maximum of +/- 15%. She pointed out there are challenges in preparing the Budget as Kerry has three peninsulas, it is very mountainous and we have a very long coastline. Given the peripheral nature of the county it increases our costs. The Budget process for 2015 is very different to previous years. As the four local authorities are now amalgamated every effort will be made to try to at least maintain the same level of service. We are in year 2 of Irish Water and we must lead out in the area of economic development. The Local Community Development Committee is established and the role of the Committee is to lead out on economic activity and to ensure a successful application for funding is made. While there are challenges ahead it is also a time of huge opportunity. There are signs of economic growth and Kerry has a strong tradition of entrepreneurship. We have a strong tourism sector, good connectivity and good indigenous industries. We also have a world wide reputation for our good quality of life.

Kerry County Council has a major role to play in the future development of the county and the report presented is in this context. Ms. Murrell said it is intended to provide services and funding to lead out economic and community development. The overall proposed Budget is €122.5m and a small percentage of this figure is discretionary. We now have the 5<sup>th</sup> largest housing stock of 5,000 plus in the country. We also have 12% of the national secondary road network in the country and there is a cost associated with our peripherality. Year on year members provided 'own resource' funding which benefitted county roads and allowed us to retain the Machinery Yard. As a result we were in a position to avail of additional funding as it became available even when this happened late in the year. This proves that when you invest money you can avail of grant funding and as this principal works well she intended to bring it forward.

Ms. Murrell then referred to tourism and said Kerry County Council has invested in walkways, the greenway, playgrounds and festivals. This year tourism growth in Kerry is up 17% which is above the national figure. People come to the county not just for the scenery but because of the infrastructure and facilities and the County Council has been very active in providing amenities. In the recent Tidy Towns Awards Kerry towns were awarded 4 Gold Medals and this shows the strong community commitment in these and other towns and villages also. The high age profile in the county is and will continue to impact on services i.e. the

## Meeting re LPT

level of demand for the Housing Aid for the Elderly Scheme. Elected members provide funding for these services and schemes. There are 840 community groups registered with the Community and Voluntary Forum and this shows the level of volunteerism in the county. There is serious financial commitment in the county to that.

The Council has also invested significantly in libraries and in 2013 a record number of 619,089 items were borrowed. Kerry County Council supports many community initiatives and the proposed Greenway will have huge potential for the county. The Council in partnership with South Kerry Development Partnership is fully supportive of this project. The provision of playgrounds etc. demonstrates the positive practical work undertaken by this Council. These facilities are a positive sign that this Council has taken unpopular decisions to support these services. A 1% increase / decrease in LPT will impact positively or negatively in the sum of €145,000. A 1% reduction would result in a decrease in discretionary funding for housing services, maintenance of parks, 'own resource' funding for roads etc.

Ms. Murrell recommended that there would be no change to the LPT rate in Kerry for 2015 and retention of the additional surplus funds available by the Department to fund the expected shortfall in our budget of €1.5m, which as a result of the notification from the DOECLG of the Provisional Local Property Tax Allocation received on 4<sup>th</sup> September, is now reduced to €885k. In addition she recommended a 1% increase in the rate of LPT per year subsequently for a period of 4 years. The proceeds from the proposed increased rate will be re-invested over the lifetime of the Council to fund a Housing Improvement & Community Development Fund, a proportion of which is to be distributed to the Municipal Districts. This will provide certainty to householders in relation to their ongoing liability and provide assurance to the local authority of income from this source. Ms. Murrell said this recommendation is reasonable and will allow for a continuation of the present level of services. The 1% increase would create a fund of €480,000 which would be used as a seed capital fund for social inclusion measures. It is also proposed to establish a housing improvement fund which would allow for the provision of matching funding for any additional grant funding that might become available for the Housing Aid for the Elderly Grant Scheme.

Mr. A. McAllen, Head of Finance then called on Ms. K. Moriarty, A/SEO Finance to brief member on the financial impact of any variation to LPT.

Ms. K. Moriarty briefed the meeting on the estimated financial effect of any variation in the rate of LPT for 2015 as follows:

### **“Estimation of Financial Effect**

Section 20 (2A) (c) of the Finance (Local Property Tax) (Amendment) Act 2013 provides that a local authority shall have regard to the local authority's estimation of the financial effect of the varied rate on the economy of its functional area, including on those persons who will be liable to pay local property tax.

The estimation of financial effect in the local authority area must be set out in this Report and considered by the Members as part of the decision making process in relation to LPT. In accordance with the Regulations the following matters must be considered :

- Potential Impact on a Liable Person
- Potential Impact on the LPT Revenue in the forthcoming financial year
- Potential Impact on the service delivery plans of the local authority
- Any other information considered relevant

### **Potential Impact on a Liable Person**

The amount payable for LPT is determined by the market value of the residential property on 1 May 2013 as self- assessed. Property values are organised into a number of Valuation Bands by Revenue up to €1mn as set out in the Table below. The tax liability is calculated by applying the LPT rate to the mid-point of the band. The rate of LPT is 0.18% for properties up to a market value of €1 mn.

Residential properties valued over €1 mn. will be assessed at the actual value at 0.18% on the first €1 mn. in value and 0.25% on the portion of the value above €1 mn (no banding applies).

The market value of the residential property as at 1 May 2013 forms the basis for the calculation of the tax for 2013, 2014, 2015 and 2016. The current base rate for LPT is 0.18% of the valuation of the property. Property is valued in bands and is set out below:

The effect of varying the base rate by 1% would result in a change of **90 cents** per annum per household for the lowest valuation band, a 2% variation €2.25 per year household etc. Full details of the effect of a 1% variation are set out in the Table below.

<b>LPT Valuation Band Range €</b>	<b>Mid-Point of Valuation Band €</b>	<b>LPT Charge 2014 @ 0.18%</b>	<b>1% Variation</b>
0 - 100,000	50,000	90	0.90
100,001 - 150,000	125,000	225	2.25
150,001 - 200,000	175,000	315	3.15
200,001 - 250,000	225,000	405	4.05
250,001 - 300,000	275,000	495	4.95
300,001 - 350,000	325,000	585	5.85
350,001 - 400,000	375,000	675	6.75
400,001 - 450,000	425,000	765	7.65
450,001 - 500,000	475,000	855	8.55
500,001 - 550,000	525,000	945	9.45
550,001 - 600,000	575,000	1,035	10.36
600,001 - 650,000	625,000	1,125	11.25
650,001 - 700,000	675,000	1,215	12.15
700,001 - 750,000	725,000	1,305	13.05
750,001 - 800,000	775,000	1,395	13.95
800,001 - 850,000	825,000	1,485	14.85
850,001 - 900,000	875,000	1,575	15.75
900,001 - 950,000	925,000	1,665	16.65
950,001 - 1,000,000	975,000	1,755	17.55

The DOECLG has issued statistics in relation to the LPT 2014 Valuation Bands for Kerry based on property values as at 1 May 2013 as follows :

<b>LPT 2014 Valuations Bands €</b>	<b>0 – 100,000</b>	<b>100,001 – 150,000</b>	<b>150,001 – 200,000</b>	<b>Over 200,000</b>
KCC	30%	33%	27%	10%

In effect, for 63% of liable persons in Kerry, each 1% reduction/increase in LPT rate for 2015, would result in a saving/cost of between 90 cents and €2.25 per household per annum. For 90% of liable persons in Kerry, each 1% reduction/increase in LPT rate for 2015 would result in a saving/cost in the range of 90 cents and €3.15 per annum per household.

### **Potential Impact on the LPT Revenue in the forthcoming financial year**

#### **Revenue Data:**

The latest available statics from Revenue in relation to LPT are as outlined below, these are included as part of this Report in accordance with DOECLG guidance.

The latest available statistics published by the Revenue Commissioners relate to data compiled to the end of July 2014. At that date there were approximately 66,700 properties registered in Kerry for LPT and the total amount of LPT collected was €7.6 million in 2013 (half year) and €11.5 million in 2014.

Revenue advised the Council in July 2014 (Circular 09/2014) that the Net LPT 2014 position for Kerry County Council was €13.941 million for 2014, at that time.

The Council received notification from DOECLG on 4<sup>th</sup> September 2014 of the Provisional Local Property Tax Allocation for 2015. The Local Property Tax allocation for KCC for 2015, (pending any decision to locally vary the basic rate) is €11,659,186, it is understood this represents 80% of total estimated LPT to be collected in Kerry in 2015 which is to be retained locally. The remaining 20% will be re distributed to provide top up funding to certain local authority areas that have lower property tax bases due to the variance in property tax values across the state. The Government has decided that no local authority will receive less income from LPT in 2015 than they received from the Local Government Fund in 2014 for Kerry. This amount is in excess of the Local Government Fund allocation for 2014, by €615,349.

Therefore €14,573,983 is 100% of the estimated LPT for Kerry for 2015. Based on these estimated figures, a variation of 1% in the basic rate of LPT for 2015 would potentially result in a loss/gain to the Council Budget of €145,740 while a 2% variation would result in a loss/gain of €291,480 etc.

It must be noted that the DOECLG has advised that, if Kerry County Council decides to vary the LPT basic rate upwards (by up to 15%) in 2015, it will retain 100% of the resultant additional income collected in the local authority area. Similarly, if Kerry County Council decides to vary the LPT basic rate downwards (by up to 15%) in 2015, the resultant loss in LPT income will be reflected in reduced LPT funding to the Authority.

### **Potential Impact on the Service Delivery Plans of the Council**

The Local Government Fund/LPT continues to form a large percentage of overall income (9%) in 2015 after amalgamation of the four Kerry Local Authorities and is a general purpose grant which can be used across the divisions over all areas of expenditure.

As a significant portion of total estimated Council expenditure relates to non-discretionary costs and commitments, there is very limited capacity to absorb any further expenditure reductions and given our difficult budgets over the past number of years. A 1% reduction in LPT income estimated at €145,740 for 2015, would reduce funds available to provide basic Council services, ranging from housing maintenance, own resources- roads maintenance, matching funding for DPG and ERGs, Library Book Fund, Parks/Amenity/Open Spaces Maintenance, Footpath Repair/Maintenance, Public Lighting, for example. This would also impact on the Municipal District Allocation for 2015. Conversely, a 1% increase in

LPT income would result in a Fund being made available to the Council to target Housing Improvement and Community Development. The same principle holds for any further increases in the rate of LPT.

No additional funding will be available to the Council from DoECLG to offset any reduction in Local Property Tax.

The Department has confirmed that any decision taken at local level to reduce Local Property Tax rates will be reflected in a reduced Local Government Fund allocation in 2015. Conversely any additional amounts generated in this area will be targeted for the county with a corresponding benefit through additional LPT allocation and services.

In addition, the strategy adopted in relation to Rates harmonisation and the base year adjustment could have a financial impact which needs to be considered in the context of any variation in LPT. This matter is addressed further on page 3 in the Report by Head of Finance on the Budget Strategy.

## **5. Feedback from Public Consultation**

The Council published notice of Statutory Notice of Consideration of Setting a Local Adjustment Factor on 23<sup>rd</sup> July 2014 in accordance with the Local Property Tax (Local Adjustment Factor) Regulations 2014 providing a period up to 25<sup>th</sup> August 2014 for the making of written submissions from the public. For that purpose notice was published in Kerryman, Kerry's Eye and on the Council's website. The Notice invited submissions from the public covering the potential effects of varying the basic rate of the Local Property Tax on businesses, individuals and on local authority services. A period of at least 30 days was provided for making written submissions to the Council in accordance with Regulations.

I set out below summary of the written submissions received from the public consultation and the main issues raised. The Members must consider the feedback from the public consultation process as part of the decision-making process.

A total of 405 submissions were received from the public as part of the public consultation process, the main issues raised as are outlined below.

Of the 405 received, 361 no. requested a reduction in the Local Property Tax of the maximum of 15%, a further 5 supported the abolition of the LPT and the maximum reduction of 15%.

34 submissions requested a reduction of LPT without specifying a percentage.

1 submission requested no change to the rate of LPT.

4 submissions received advised caution in consideration of an LPT reduction.

No submission was received requesting an increase in the rate of LPT.



## Meeting re LPT

Of the above, a total of 6 submissions were received from Representative/Commercial bodies and businesses and political parties. The remaining submissions were from individuals/households.

Of the above 405 submissions, a total of 309 no. submissions were submitted in standard letter format, raised the same issues and were of generic format.

Submissions Received	Main Issues Raised
361 No. (89.1% of total) submissions requested a reduction in the LPT to the maximum of 15%	<ul style="list-style-type: none"> <li>• Affordability and Impact of LPT on Household Budgets and already struggling households</li> <li>• Effect on households combined with incoming water charges and other existing charges/taxes</li> <li>• Impact on consumer spending power and confidence and resultant loss of retail jobs</li> <li>• Unfair/ unjust tax, not means tested</li> <li>• Local Authority tenants do not pay LPT</li> <li>• House prices have fallen and properties are in negative equity, mortgage holders struggling</li> <li>• Rural areas – level of service provided in return for this tax</li> <li>• Length of austerity period, burden on families</li> <li>• Impact on Council services of government policy on funding local government</li> <li>• Impact on elderly and unemployed</li> <li>• Cut other specific areas of expenditure</li> <li>• LPT a penalty on home owners</li> <li>• No reason specified</li> </ul>
5 No. (1.2% of total) submissions supported the abolition of the LPT and requested the maximum reduction.	<ul style="list-style-type: none"> <li>• Unfair/unjust tax</li> <li>• Affects spending power of communities</li> <li>• Impact on single income earners</li> <li>• No reason specified</li> </ul>
34 No. (8.4% of total) submissions requested a general reduction in LPT without specifying a percentage.	<ul style="list-style-type: none"> <li>• Affordability and Impact of LPT on Household Budgets and already struggling households</li> <li>• Effect on households combined with incoming water charges and other existing charges/taxes</li> <li>• Impact on middle income earners, disabled, retired people and farm families</li> <li>• Rural areas – level of service provided in return for this tax</li> <li>• House prices have fallen and properties are in negative equity</li> <li>• Unfair/unjust tax, not means tested</li> <li>• No reason specified</li> </ul>
1 No. (0.3% of total) submission requested no change in the LPT.	<ul style="list-style-type: none"> <li>• No reason specified</li> </ul>

4 No. (1%) submissions advised caution in consideration of a reduction in LPT.	<ul style="list-style-type: none"><li>• Potential impact on commercial ratepayers liability and resultant loss of business competitiveness, impact on jobs and community</li><li>• Small businesses have borne disproportionate burden of costs, credit crunch, business closure</li><li>• Potential reduction of Council services due to potential loss of overall revenue to the Council</li><li>• Potential impact on future infrastructural development and inward investment</li></ul>
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Ms. A. McAllen said she wished to draw member's attention to the financial position of the Council as at the end of June.

- The current arrears are high given the time of year, particularly for debtor levels in the area of rates. She anticipated a significantly lower figure for year end and informed members that 183 property owners pay 51% of rates.
- Current liabilities are generally low given the requirement to pay all trade suppliers within 15 days.

While we are not in a poor financial position we are vulnerable. Our reliance on local sourced income including LPT is increasing. We have worked hard over the past difficult years to maintain our sound financial footing to enable us now to respond to any upturn in the economy proactively and to maintain and improve service delivery.

Ms. McAllen said there is a statutory format required with the Chief Executive's report. The figures are presented in a format that is intended to indicate to members at a high level the preliminary estimate for income and expenditure for 2015. In relation to income Ms. McAllen said she factored in the same amount for rates for 2015 as for 2014. For Local Property Tax she factored in the full allocation of €11,659,180. Grants and subsidies have reduced by €1.5m reflecting largely the reduction in HEG's income, there is a corresponding reduction reflected also in expenditure categorised as 'other expenditure' on the sheet. Other income has reduced by €1.8m due to the cessation of NPPR, Landfill Charges and Landfill Levy and there are minor reductions in some of our income streams relative to expected outturn for 2014. This schedule reflects the combined Budget of the 4 Local Authorities, both the overall income and expenditure, reflects an adjustment for the County Demand as required by Department Circular. In Kerry an initial further refinement to this figure is required to the value of €637,640 to reflect specific material inter authority payments outside of the County Demand for specific services provided by one local authority for the other.

In relation to expenditure, the statutory format categorises expenditure as you can see into various headings. She added notes 1, 2 and 3 to guide members also. In relation to the first heading, Payroll members can see that she budgeted to maintain payroll costs at 2014 levels. Even though we have lost staff to the Voluntary Redundancy Scheme and retirements the savings to the Revenue account are replaced by staff previously charged to capital schemes. This area is under pressure. Ms. McAllen said she made an additional provision for pensions due to the increased number of pensioners and the sum provided reflects anticipated gratuity payments for 2015. In relation to loan interest and principal repaid she reflected an increase of €160,920. We have an increase largely due to the increase in Land loan charges which increase from €647,000 to €1m, these loans are provided for the 12 months in 2015. In 2014 the loans of both ourselves and the Town Councils were maturing at various stages during the year, offset by loans ceasing during 2015. The heading social benefits (transfer payments to households) covers RAS payments to landlords, Homeless Services, Mortgage Subsidy and Shared Ownership Rental Subsidy and is maintained at 2014 levels with the exception of increased RAS payments to landlords of €540,000 which is reflected under other expenditure. The remaining cost of capital grant paid reflects Housing Grants which we are maintaining at 2014 levels and a slight reduction in funding for Conservation Grants.

Other expenditure reflects a large proportion of our contra costs which link directly to income, i.e. Irish Water operating costs, NRA/DoT Roads Programme and reflects the HEG decrease of €1.5m referred to earlier. It also reflects insurances, fixed costs to support core services and other operational costs. This format is intended to highlight the level of fixed cost in the organisation which taking payroll, insurance, loan charges and other fixed expenditure totalling 81% taking contra into account leaves us with operational costs of €9m – some 7%. This must fund Roads own resources, Housing Maintenance, Parks and Open Spaces, Economic Fund and Community Fund. The General Municipal Allocation will be allocated from this area. As members can see we have a shortfall currently of €885,000. For the convenience of members she restructured the statutory high level budgetary strategy for Budget 2015 into a format that is more traditional and where she could illustrate where at this stage of the process, significant impacts in Budget 2015 will occur given current income streams. She referred to the A3 sheet distributed earlier in the meeting entitled “Kerry County Council Estimated Expenditure for Consideration of Local Property Tax 22<sup>nd</sup> September 2014”. It is proposed to provide an increase in the following areas in Division A – Maintenance & Improvement of LA Housing Units, RAS Programme and Housing Loans. In relation to Division B there are additional insurance costs and a reduction in the provision for Car Parking as a €75,000 loan will cease in 2015. In relation to Division C there is a reduction in the provision for Admin of Group and Private Installations but this reflects the level of activity in this area. In Division E there is a reduction of €612,000 in the provision for Landfill Operation and Aftercare due to the closure of the Landfill and one of

the loans will cease in 2015. There will be an overall reduction in income in this area by €700,000.

In relation to Division G Educational Support Services there is a reduction which is due to the reduced number of Higher Education Grants being paid. In Division H under Local Representation and Civic Leadership there is a reduction of €350,000 for 2015 and this is mainly due to gratuities which were due for payment in 2014.

Ms. A. McAllen then referred members to Page 3 of the Budget 2015 Strategy Report and said the Budget Strategy key decisions are (1) Local Property Tax and (2) Harmonisation of Rates. She then read the following extracts from the report into the record of the meeting.

### **“Background**

Section 29 of the Local Government Reform Act (LGF) 2014 provides for the harmonisation of commercial rates between former town council rating authorities and the new restructured counties forming the new rating authorities. In order to ease the transition for ratepayers to a single county rate, while avoiding a negative impact on overall local authority revenue the period of harmonisation can take place over a maximum of ten years. An adjustment mechanism is provided to phase in increases and decreases to be known as the Base Year Adjustment. Ratepayers will receive a bill clearly indicating the new Annual Rate on Valuation with the amount payable by the individual ratepayer calculated by means of the Base Year Adjustment of a discount or levy.

As previously highlighted to Council, Kerry has four differing Annual Rates on Valuation: -

	€
▪ Kerry County Council Area	80.35 (Band 1)
▪ Former Tralee Town Council Area	79.90 (Band 2)
▪ Former Listowel Town Council Area	77.07 (Band 3)
▪ Former Killarney Town Council Area	70.37 (Band 4)

### **Main Features & Key Issues**

- **Ratepayers will not pay any more in 2015 than they did in 2014** as the Base Year Adjustment to be applied in 2015 will neutralise any increase/decrease in the Annual Rate on Valuation. This Base Year Adjustment will change annually until harmonisation is achieved, i.e. all rate payers in the county will have the same Annual Rate on Valuation. The decision on the new Annual Rate on Valuation and the amount of Base Year Adjustment to be applied each year is a decision for the elected members.

Commercial rates are projected to form 33% of our overall income in 2015, these funds have enabled core service delivery over the past number of years. Similar to any decision to vary the rate of the LPT, any reduction in this area will severely impact on the delivery of core services.

It is important to note that any loss of income does not cease after the period of harmonisation and that loss continues into the future unless the Annual Rate on Valuation is increased.

By setting a fixed Annual Rate on Valuation for the county we are effectively sacrificing buoyancy for the period of harmonisation.

In this regard, a number of scenarios are examined, assuming current “net effective commercial valuations” for rating purposes:

- The application of current highest Rate on Valuation (Band 1) of €80.35 – this would potentially result in an increased income of €900K per annum, (based on current collection levels) following the period of harmonisation of 5 years.
- The application of the current lowest rate of €70.37 (Band 4) – this would potentially result in a loss of income of €4 million per annum, following the period of harmonisation of 5 years.
- The application of Annual Rate on Valuation of €79.90 (Band 2) - this would potentially result in an increased income of €775K per annum, (based on current collection levels) following the period of harmonisation of 5 years.

We have aimed to minimise the impact of the harmonisation to rateable properties in the county. The proposed harmonisation will mean that 53.9% of properties (3,175) will see a reduction in their rates bill and a further 23.5% will see no change (1,383). The remaining 22.6% (1,332 properties) will see a gradual increase in their rates bill over the period of harmonisation of 5 years.

Having considered the above options with regard to the potential financial impact on the Council and the need to give certainty to rate payers in the county for the next 5 years, I am recommending application of the Annual Rate on Valuation of €79.90 (Band 2). It is proposed that any additional funding to Kerry County Council as identified as part of the fixing of the Annual Rate of Valuation under the harmonisation of rates be used to create an Economic and Tourism Development Fund. The purpose of this fund is to support the following areas:

- Forward Project Planning
- Strategic Development of Sites
- Capital Funding

- Enterprise Fund (linkages with 3<sup>rd</sup> Level Institutions, Enterprise Infrastructure/Activities in Towns/Villages, Business Events).
- Promote Large County Festivals and Conferences
- Jointly Funding Initiatives with other bodies including Chambers of Commerce

### 5.3 Consideration of the General Municipal Allocation (GMA)

#### **Background**

The definition of the GMA is provided for in regulations and is the name given to the discretionary funding which is made available to municipal district members for allocation in the draft budgetary plan. The amount an authority can provide by way of a GMA is dependent on the total level of income available to it and the non-discretionary costs that must be met as a first call on that income, including at municipal district level. The Chief Executive must consider the resource needs of the local authority in determining the overall level of the GMA. The GMA is also considered in context of the Budget Strategy discussion with the CPG and other Budget Strategy decisions, including any variation of LPT. The estimate of the non-discretionary costs of the authority must be taken into account also.

The principles underlying the overall GMA for the county will be considered as part of the Budget Strategy Meeting. The guidance provides that the total amount of GMA provided must be allocated by the Chief Executive to each municipal district in a manner that is fair and equitable. The Chief Executive must consider the resource needs; where appropriate, the population; and should make an allocation that is transparent, just, not arbitrary, and provides a minimum level of discretionary allocation to all districts.

#### **Guiding Principles – General Municipal District Allocation**

Any General Municipal Allocation is dependant on the level of income available to the council, provided it is available. The following guiding principles will apply in determining the level of General Municipal Allocation:

- To guarantee the maintenance of service delivery standards throughout the municipal areas and maintain the level of funding as provided in Budget 2014 for the Town Councils and Kerry County Council.
- To provide a mechanism to provide support to local organisations to encourage community, social and tourism interests. A scheme will be developed to be approved by SPC, which will provide guidance on the allocation of funding in this area. It is proposed that this scheme be further supplemented by proceeds of the “Housing Improvement and Community Development Fund”.

- The inclusion of County Councillors Municipal Operations allocation in the General Municipal District Allocation.
- To provide a mechanism to provide local economic development that supports and encourages economic growth throughout the municipal areas.

It is vital, however, that overall income levels to the county ensure that these guiding principles are successful, as the General Municipal District Allocation is defined as discretionary expenditure within the Budget.

#### 5.4 Rates on Vacant Premises

##### **Background**

Section 31 of the Local Government Reform Act 2014 provides for a change to rating law in relation to the refund of rates on vacant properties; it gives the power to the Members of local authorities to vary the level of rates refunds that apply in individual local electoral areas/Municipal District Areas within the authority's overall administrative area.

##### **Financial Impact**

The current rate of refund in Kerry County Council is 100%.

An initial analysis would indicate that this source of revenue would provide a very low collection rate. It is accepted that some potential income may exist in the larger towns in the county, however, it should be noted that the option to vary the rate in particular locations within the Municipal Districts is not provided for in legislation. In light of these difficulties and given the many unknowns in this area, I consider any financial provision in this area would not be prudent. This can be further considered on an annual basis by members going forward.

An amendment to existing legislation would enable the targeting of smaller more specific areas as within the municipal area, rather than the local electoral area, as provided for presently. It would be also advisable to undertake an economic assessment of any proposals to vary rates in this area.

I recommend that there is broad agreement on the main factors outlined in this report so as to guide and inform the Statutory Budget process moving forward."

Cllr. M. Gleeson said some members are around long enough to remember the deplorable state of county roads in the 1980's and this impacted adversely on the economy of the county and lead to emigration. It is hugely important to ensure the infrastructure of the county is maintained to the highest possible standard for residents, tourists and industry. He moved a Notice of Motion recently in relation to identifying and mapping archaeological sites as he felt it would be of enormous advantage to the county. Cllr. Gleeson said public lighting in Kerry is deplorable. The promotion of the county and the tourism potential is our primary concern. It

is vital, therefore, that walkways, cycleways and playgrounds are provided in as many locations as possible around the county.

Cllr. Gleeson said the recommendation put before Council on the harmonisation of rates is that it would be implemented over a 5 year period and this is unacceptable to (1) the business people of Killarney and (2) to him as a member of the Municipal District of Killarney and as a long term member of Killarney Town Council. If harmonisation of rates over a 5 year period is imposed there will be huge anger and a reluctance to pay. He asked that favourable consideration would be given to his PROPOSAL that this harmonisation would be over 10 years. If this proposal is accepted we will get a lot of support and good will from the rate payers of Killarney. He fought a hard battle to oppose Minister Hogan's proposal to abolish Town Councils but failed. He pointed out that the ratepayers in Killarney always paid their rates. He accepted that Municipal Districts were established but the upper most question is what functions will members have other than to levy car parking charges. If Municipal Districts are to be meaningful they must be properly financed. In conclusion Cllr. Gleeson referred to Division E on the Estimated Expenditure sheet which was circulated and the provision of €2,119,570 for Landfill Operation and Aftercare and he asked if this figure is correct now that the landfill has closed.

Ms. McAllen said this figure also provides for the operation of the Transfer Stations.

Cllr. S. Locke referred to management's proposal to increase LPT by 1% from 2016 or the Council will have funding difficulties and said this is very harsh. A few months ago all members said if they were elected they would try and address the pain people were suffering and if possible get a reduction in rates. It is the duty of members to consider the facts and figures and to ensure that services are retained and improved. It is very difficult to achieve savings of €100,000 and members are relying on management to present the Budget in a format that is to the member's satisfaction. However, this is not forthcoming. Management are not giving members a choice and are saying if they do not agree with their recommendations there will be serious repercussions. Many rate payers cannot afford to pay their rates at present but agree a payment plan and members cannot impose an increase in rates on them. Cllr. Locke **SECONDED** Cllr. Gleeson's proposal that the harmonisation of rates would take place over a 10 year period in order to alleviate the financial hardship on rate payers.

Cllr. D. Healy-Rae said he looks for services on a continuous basis for the people he represents. He said on behalf of the business people of Killarney the proposed rate of €79 is very harsh and they state that rate payers in other counties are paying significantly less than this i.e. Waterford, Monaghan where the rate is less than €60 and Longford where the rate is €66. Cllr. Healy-Rae said there are fewer staff working on roads and rate payers feel they will not get any additional services for the extra rates they will be asked to pay. A home



owner in Lissivigeen will pay 15% more in LPT than someone over the border in Cork. That is the difficulty he has with management's recommendation. He wanted to ensure that the people of Kerry are treated the same as people in Cork. Cllr. Healy-Rae said he had a serious difficulty with these issues and how they maybe resolved. It would be more acceptable to extend the time for the harmonisation of rates to 10 years. There was a reduction in environmental services and some services have ceased and for this reason he could not understand how rates are so high. Many property owners may have to invest in upgrading their vacant properties and many home owners are paying a management charge as their estate is not finished yet members are being asked not to reduce LPT for these people and this is unfair.

Cllr. T. Ferris said the members of the Sinn Féin Party PROPOSED the following:

1. That we write to the Minister for Environment, Community and Local Government and demand that any reduction would be taken from the full Local Property Tax.
2. That we would write to the Minister for Environment, Community and Local Government that the Household Charge collected in this county between June and December, i.e €1.7m be retained.

Cllr. R. Beasley seconded these proposals.

Cllr. T. Ferris PROPOSED a reduction of 15% in Local Property Tax for 2015 and said LPT is an inequitable charge and she took exception to the way it was presented in the Chief Executive's report. A 15% reduction would result in a €46 per annum saving for some households. The people paying this charge do not get any relief, grants etc and the working poor would greatly appreciate any relief. She hoped members would support this proposal. She pointed out that every party in their manifesto prior to the local elections promised to reduce LPT if possible and she acknowledged that some of these promises were conditional. The cost of this reduction in LPT will be €2.18m from this they deducted the €620,000 from LPT and €60,000 that would be saved in the Kerry County Council LPT liability. The real adjustment figure would then be just over €1.5m. Sinn Féin identified that the following savings could be achieved:- €200,000 from NPPR, €50,000 on postage, €20,000 on Senior Management travel expenses and €85,000 on Councillor expenses. Cllr. Ferris said despite three months of engagement with management a number of questions, which the Sinn Fein party submitted remain unanswered. The Revenue Budget is €122.5 million and she requested a breakdown of this figure. The response given is the A3 sheet which was circulated at the start of the meeting. With the information provided she was not in a position to give a full list of the savings of €1.56 million required. However, she did identify savings of €1.23 million. She PROPOSED that commercial rates would be charged on vacant properties and that should realise an income of €1.016 million. Sinn Féin proposed the imposition of full rates on

these properties and if appropriate these properties can avail of a rebate provided they satisfy the following criteria (1) the property is under refurbishment (2) if the owner cannot secure a tenant. Sinn Fein also proposes that a rebate should only be given if the property is made available to the LCDC for new start up enterprises at a reduced rate. If they cannot secure a tenant they should be happy to avail of this option. When this proposal was put to representatives of Minister Howlin and Minister Kelly's offices they were told a similar scheme is in operation in Limerick. They identified four premises in Tralee that were left vacant as those who own them were not particularly interested in letting them and she said this was not acceptable. The estimated figure of €1.016 million is conservative, as they estimate 50% of vacant properties only will be subject to this charge. A sum of €85,000 could be saved on councillors expenses and while she did not have the figure for travel expenses for senior management she presumed savings of €20,000 could be achieved in this area. A sum of €285,000 was spent on postage in 2013 which she said is a staggering amount. She PROPOSED a conservative saving of €50,000 on this figure. €1.75 million was taken out of this economy between June and December for the Household Charge. Confirmation has been received that the Household Charge will be treated the same as Local Property Tax and this income will go to the Local Government Fund. She PROPOSED that this income would revert to the local authority. Cllr. Ferris then referred to NPPR and said, as an elected, she was disgusted members were misled. Members maintained at all times that management could apply discretion in relation to NPPR. However this did not happen but she was glad this discretion would now be applied. She believed the income from NPPR in 2014 would be in excess of €1 million while provision for an income of €600,000 was made in the Budget. €200,000 of this could be used to offset the reduction in LPT. Cllr. Ferris acknowledged that Management said this income must be used to cover expenditure as a result of storm damage earlier in the year. However from their experience capital funding is always available to cover such eventualities.

Cllr. Ferris said an income of €190,000 should also be realised from outstanding development levies. In 2013 a sum of €6,000 was spent on refreshments for councillors who get paid a subsistence allowance for attending meetings. Sinn Fein sought legal advice from Junior Counsel, due to the difficulty they were experiencing in getting information from Management on the Budget. They have been advised under section 136 of the Local Government Act 2001 they are entitled to get this information together with answers to their questions. She hoped going forward this information would be more freely available. She called on councillors to support her proposal for a reduction in LPT as circumstances allow for this reduction.

Cllr N Kelleher expressed satisfaction that Sinn Fein found €1 million from his proposal at the last meeting. However, if the owner of a vacant property produces an Auctioneers Certificate they will not be liable for rate. He estimated that an income of €0.5m could be realised from vacant properties. If Dunnes Stores offer their premises for letting they would not be liable for rates. The government is forcing this local authority to decide to reduce LPT by 4% and that is wrong. Town Councils were abolished and there should be some savings from this. He believed it was unfair to ask members to make a decision on the reduction of LPT today without having the full Budget before them. There is a lot of frustration among rate payers in the Killarney Municipal District at the prospect of having to pay higher rates. Kerry County Council has one of the highest rates in the country. There is no comparison between the rates that were charged by Killarney Town Council and those levied by Kerry County Council. He PROPOSED that rates harmonisation would take place over a ten-year period.

Cllr JJ Culloty SECONDED this proposal.

Cllr Finucane said the purpose of the meeting is to secure the financial future of the Council. He pointed out when rates were abolished in the 1970's virtually all local authorities were bankrupt and many deputations went to various Government Departments seeking funding. We have now had almost 8 years of economic hardship and the country is borrowing €80m per month. This decision is about controlling our own destiny. The days of running to the Minister to seek an increase in an allocation, as happened in 2013, is gone. Kerry County Council must be involved in economic activity to control and instigate development. However this can only happen if funding is available. At the previous meeting he proposed that a survey of vacant buildings would be undertaken to establish the owners of these properties and if they were derelict a levy could apply. However, if the property was vacant for competitive purposes he would be in favour of levying rates on them. He pointed out that some of these properties are in NAMA. This meeting is about deciding on a strategy for the next 4 to 5 years and he would make his proposal later in the meeting.

Cllr P. Daly said members are obliged to take into account the common good. Provision of €1m is included in the expenditure listing circulated for the Tenant Purchase Scheme but he did not know who was purchasing houses. He agreed with the proposal in relation to LPT but said he could not agree with the harmonisation of rates over a ten-year period. Members must consider fairness over populist viewpoint. Restaurants only pay 9% VAT, while others pay 23%. He expressed his disbelief that management are proposing to add 1% to LPT from 2016. A business with a store in town made €3.8b profit yet they benefitted from a rebate in respect of a vacant property. Cllr Daly said he could not understand why a survey of vacant properties could not be undertaken.

Cllr J. Healy Rae said it is hard for members to vote on whether LPT should be reduced or not. Each Municipal District is supposed to get a budget yet they did not know how much this would be or for what purpose it could be used. The proposal for a 1% increase in LPT from 2016 is difficult to entertain as there was never less services. He suggested that if there is an increase there should be a corresponding increase in services. It is the duty of the County Council to look after the entire county, however there are specific issues in each part of the county. The Sinn Fein proposal to levy rates on unoccupied premises in Tralee might be acceptable but in South Kerry there are no multinational companies and it would cause hardship for many property owners. He would have no difficulty if this was introduced for the Municipal District of Tralee but he could not support it on a county wide basis. In the past there were shops in Kilgarvan and while there are closed there are still classified as shops. If this proposal is carried they will get a bill for rates. It would cost a property owner approximately €300 to €400 to get an Auctioneer's Cert and this is an additional expense on them. Cllr Healy Rae said these vacant properties should not be liable for rates.

Cllr JJ Culloty supported the proposal for the harmonisation of rates over a ten-year period. He wanted to ensure fair play for the rate payers in Killarney and he said that one of the senior hotels in Killarney is in NAMA. In 2014 the overall Budget decreased by 26.9% and grants for the elderly have been cut and Kerry County Council is being asked to make up the difference. Cllr Culloty said that a 15% reduction in LPT is not realistic however some reduction should be possible. Donegal County Council got in excess of €13 million from LPT, he presumed, yet they had the lowest collection rate in the country but now there are being assisted financially.

Cllr J. Moloney said he had served on a Town Council for a number of years and they maintained the rates at the same level. He supported the ten-year harmonisation of rates as proposed. He referred to Page 5 of the Chief Executive's report which states "*The Local Property Tax allocation for KCC for 2015 is €11,659,186*" This is understood to represent 80% of the total estimated LPT to be collected in Kerry in 2015. The report also states that €14.573m is 100% of the estimated LPT for Kerry for 2015. In times of economic boom national Budgets lurched from Budget to Budget and there was no certainty. He asked what would happen when the surpluses in the top 10 cities disappear and eventually there will be no surplus.

Cllr B. O'Connell said this is the most difficult decision facing councillors. It is a simple but hard choice. Do members want to maintain or improve services? Tourists come to Kerry not only for the scenery, but also for the services and infrastructure. It would be a dereliction of member's duties not to provide services and to keep the county at the forefront nationally and internationally from a tourism point of view. The report sets out what a 1% reduction in LPT would cost and a lot of projects could be fulfilled through this funding. It will be a

popular decision to reduce LPT but members also have a responsibility to the county.

Cllr B. Cronin referred to Page 4 of the Budget 2015 Strategy Report which states that the current rate in the pound in Killarney is €70.37 and it is proposed to increase it to €79.90. Rate payers are already paying substantial rates and it should be possible to find a middle ground. He has great difficulty with the proposed rate of €79.90. Cllr. Cronin then referred to LPT and said when he was first elected to Kerry County Council the road network was appalling as there was inadequate funding to maintain the roads. He emphasised the importance of public lighting in a tourism county such as Kerry and said it is important that standards are at least maintained and on a par with other counties. Cllr. Cronin referred to Cllr. Ferris's proposal and expressed grave concern in relation to the income figure for vacant properties as he felt it was unsafe. He then referred to the end of Page 6 of the Chief Executives Report which states '*Of the above 405 submissions, a total of 309 no. submissions were submitted in standard letter format, raised the same issues and were of generic format*'. He asked if this meant the letters were pre-drafted, photocopied and signed by different individuals.

Cllr. N. Foley asked if the levying of rates on vacant properties could be varied by Municipal District.

The Cathaoirleach said this is a very difficult decision for members. It is the role of Government to provide relief for different taxpayers and not the members of local authorities. A reduction of 15% or €45 per annum in LPT would mean a saving of less than €1 a week and this would result in a reduction in services which would have huge consequences for the county. Members are unanimous in their views in relation to the harmonisation of rates in that it should take place over a ten-year period, which is more palatable given that Kerry has the highest rates in the country. Members are also in agreement in relation to rates on vacant properties, with the exception of Cllr J. Healy Rae, in that large multinational companies are keeping premises vacant for competitive reasons and members believe they should be liable for rates. Members do not agree that LPT should be increased by 1% from 2016 and he believed this issue can be addressed at the end of next year. Sinn Fein tabled a proposal to reduce LPT by 15% but he believed the Council cannot afford this. He called on Management to respond to this proposal and he would then take a five-minute recess to allow the parties to consider their positions.

Ms. M Murrell, Chief Executive, said that a 15% reduction in LPT would cost the Council €2.186m in 2015, and if this is maintained over the lifetime of the Council it would cost €10.9m which would result in a significant loss of services. This would not be sustainable and would present severe problems to the Council throughout the year. This funding would not be available for critical services. In relation to vacant properties Ms. Murrell said she would be delighted if we could inject additional income from this source, but added we must take a broad economic view. Consideration can be given to applying varied rates on vacant properties in different Municipal Districts. However this could prove to be problematic in rural areas. We need to ensure that any decision will have the right impact on what we are trying to achieve. Ms. Murrell referred to the additional income from NPPR and said, as explained at the previous meeting, in excess of €700,000 was spent repairing storm damage earlier in the year and there is no capital contingency fund to cover this expenditure. She would like to have a contingency fund by ensuring sufficient funds are provided on the Revenue Budget and she would be in favour of this. In relation to the harmonisation of rates Ms Murrell said she took on board the views of members but added that was not a decision for that day. She would consider the impact this would have on the Budget over the coming years. She referred to Cllr. Ferris's comments on access to information and how information is dispersed and said in the budgetary process we are trying to deal with this in an open and fair way. There are 33 members on the Council and we have limited staff resources. We are bound by statutory deadlines which are very tight. The legislation is very specific and a pre-Budget Briefing was held. The statutory clock then kicked in and the CPG was consulted, as were all the members of the Council. Because of the volume of queries received we tried to be reasonable and dealt with the specific queries. The reason an AFS is issued is that is the information which was published and contained the relevant information. It is important to ensure equity of treatment of all councillors. Her role as Chief Executive is to be fair and equitable across the Chamber.

Ms. McAllen said the Budget process this year is very different and difficult and commenced with the Pre-Budget Briefing where the main changes were outlined for members. With this level of change it is very difficult to achieve a balanced budget. However this is a statutory process and the Finance Department prepared a number of additional reports for members for that meeting in relation to questions received and the responses given. She believed they were answered in a fair and equitable manner. Ms. McAllen said her report and that of the Chief Executive refer to the Local Property Tax which was collected this year to-date and Revenue have factored in any payment of Household Charge arrears received in 2014 and these arrears are included in that LPT figure. Notification was received of an allocation of €11,659,186m for Local Property Tax and this figure also includes projected payments for Household Charge arrears. The Budgetary process is particularly complex and she consults with budget holders across the organisation to ensure the Council is in a position to respond to any upturn in the economy effectively. In relation to vacant properties Ms. McAllen

agreed some properties in town could possibly be let, however we have found we have not been successful in the Courts with these cases as it was not deemed there was beneficial occupation. She suggested that the issue of rates on vacant properties could be considered by each of the Municipal Districts. Any potential income in this area must also factor in an equivalent bad debt provision given the uncollectability of this source of income particularly in the early years. We have also committed to undertake an economic impact assessment in each case. She referred to the comments made in relation to the scheme introduced by Limerick County Council and said this is an Incentive Scheme, however, she was not familiar with it. She would be concerned that a figure would be included in income which would not be realisable or reasonable. At present there is a gap of €885,000 in the Budget and she would go back to the budget holders with a view to bridging that gap. In relation to postage she pointed out there was a significant increase in the rate for postage in recent times. However, she hoped efficiencies could be achieved by the amalgamation of services. She pointed out in accordance with legislation six day notices must be issued by post to rate payers while planning decisions must issue by registered post. A significant amount of expenditure is also incurred by Motor Tax in returning postal applications. All these areas were considered in framing the Budget and they will be reviewed again in the final stages of the Budget. Ms. McAllen said she hoped through efficiencies the shortfall of €885,000 can be met. A sum of €200,000 is included in the 2015 Draft Budget in relation to NPPR. She would take on board the broad views of members on the harmonisation of rates. Ms. McAllen again outlined the impact of a reduction/increase in LPT for members. She thanked the members for their contributions and also those who contacted her in recent days with queries. Following today's meeting she will be moving forward with the statutory process and she wanted to be clear on the strategy required by members.

The Cathaoirleach informed the meeting that Cllr. Ferris had proposed a 15% reduction in LPT. This proposal was seconded by Cllr. Beasley.

Cllr. J. Finucane PROPOSED that there would be no change to LPT in 2015.

Cllr. B. O'Connell SECONDED this proposal.

The Cathaoirleach informed the meeting that the first two proposals made by Sinn Fein were unanimously agreed.

Cllr. M. Gleeson requested confirmation that management's proposal that there would be a 1% increase in LPT from 2016 onwards is now off the table.

The Cathaoirleach confirmed that that is the case. He then informed members that the meeting would stand adjourned for a period of five minutes to allow the parties to consider their position.

Meeting re LPT

The meeting adjourned at 4.10pm.

The meeting resumed at 4:15pm.

The Cathaoirleach informed the meeting that there were two proposals for decision by members.

Cllr. M. O'Shea said everyone would be in favour of a reduction in LPT if it was feasible. However, he PROPOSED there would be no adjustment to LPT and that a fund of €600,000 would be provided for recreation and amenity for the four Municipal Districts which would benefit every parish.

Cllr. J. Moloney SECONDED this proposal.

Ms. M. Murrell informed members that the next stage of the Budget process will be the allocation of Budgets to the Municipal Districts. If members want to allocate €600,000 from the overall Budget for recreation and amenity this can be considered.

Cllr. M. O'Shea asked that this fund would be separate to the Municipal District allocation.

Ms. Murrell pointed out that there is no additional €600,000 available but it would have to be funded from the existing Budget. At present there is a shortfall in the Budget and it is hoped to achieve efficiencies and savings to balance the Budget. If councillors want a specific fund of €600,000 for recreation/amenity then this sum will have to be reassigned from within the existing Budget. If this fund is established some of the figures presented will change. She undertook to revert to the CPG with the new set of proposals to achieve the €600,000 as proposed.

Cllr. T. Ferris said the Sinn Fein party proposed a 15% reduction in LPT. At election time councillors said they would try to reduce LPT but now councillors are saying rather than give it back to the people they will ring fence the income from LPT for services. Members were told savings would be achieved by the abolition of Town Councils so why is there a deficit. She wanted to see an improvement in services but not at the expense of taxpayers.

The Cathaoirleach informed the meeting that Cllr. Ferris's proposal would be taken first.

Mr. G. O'Brien informed the meeting that a vote would then be taken on Cllr. Ferris's proposal which was seconded by Cllr. Beasley as follows:



## Meeting re LPT

That we the members of Kerry County Council hereby resolve to vary the basic rates of Local Property Tax (0.18% and 0.25%) for 2015 by 15% and set a local adjustment factor of -15% in accordance with Section 20 of the Finance (Local Property Tax) Act 2012 as amended by Section 5 of the Finance (Local Property Tax) Act 2013.

The vote resulted as follows:

**For:** Cllrs. Beasley, Daly, Ferris, D. Healy Rae, J. Healy Rae, Locke, Nolan, Quigg **(8)**.

**Against:** Cllrs. Connor Scarteen, Cronin, Culloty, Finucane, Fitzgerald, Flynn, Foley, Gleeson, Kennelly, D. McCarthy, P. McCarthy, McEllistrim, Moloney, Moriarty, O'Brien, O'Connell, O'Shea, Purtill, Sheahan, Spring, Thornton, Brassil **(22)**

**Not voting:** None **(0)**

The Cathaoirleach declared the proposal DEFEATED.

The Cathaoirleach stated that a vote would then be taken on Cllr. Finucane's proposal that the rate of LPT would be unchanged. This proposal was seconded by Cllr. B. O'Connell.

Cllr. T. Ferris PROPOSED that there would be a 4.2% reduction in LPT for 2015.

The Cathaoirleach stated a vote would then be taken on Cllr. Finucane's proposal.

Mr. G. O'Brien informed members that the proposal to establish a fund of €600,000 cannot be included in a resolution. However, the Chief Executive has given a commitment that a General Municipal Fund will be established from available resources. A vote would therefore be taken on Cllr. Finucane's proposal, which was seconded by Cllr. O'Connell.

That we the members of Kerry County Council hereby resolve in accordance with Section 20 of the Finance (Local Property Tax) Act 2012 as amended by Section 5 of the Finance (Local Property Tax) Act 2013 not to vary the basic rates of LPT for 2015.

The vote resulted as follows:

**For:** Cllrs. Cahill, Connor Scarteen, Cronin, Finucane, Fitzgerald, Flynn, Foley, Gleeson, Kennelly, D. McCarthy, P. McCarthy, McEllistrim, Moloney Moriarty, O'Brien, O'Connell, O'Shea, Purtill, Sheahan, Spring Thornton, Brassil **(22)**

Meeting re LPT

**Against:** Cllrs. Beasley, Culloty, Daly, Ferris, D. Healy Rae, J. Healy Rae, Locke, Nolan, Quigg **(9)**

**Not voting:** None **(0)**

The Cathaoirleach declared the proposal CARRIED.

**Authorisation to attend the LAMA Seminar**

On the PROPOSAL of Cllr. S. Fitzgerald, SECONDED by Cllr. J. Finucane it was agreed to authorise the attendance of Cllrs. Connor Scarteen. O'Shea. Fitzgerald, McEllistrim, Spring, D. McCarthy, J.F. Flynn, P. McCarthy, Finucane, Thornton, Kennelly, Quigg, Beasley, D. Healy Rae. J Healy Rae, Cronin, Kelleher, Moriarty, Culloty, Foley, Moloney, Purtill, Brassil, Cahill, O'Connell and Sheahan at the LAMA Autumn Seminar 2014 to be held in the Inishowen Gateway Hotel, Buncrana, Co. Donegal on the 17<sup>th</sup> and 18<sup>th</sup> of October 2014.

In conclusion the Chief Executive Ms. Murrell thanked the members for the excellent discussion and said that it signals a balanced forward-looking approach to Budget 2015. The next stage will be the meetings with the Municipal Districts to agree the General Municipal Allocations (GMA). She thanked the Head of Finance Ms. McAllen, Ms. K. Moriarty, Mr. P. O'Shea and the Finance team for preparing the reports for the meeting and the Budget in general.

The meeting concluded at 4:45pm.

**Gerard O'Brien**  
A/SEO Corporate Affairs

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Cathaoirleach of Kerry County Council