

Minutes of Statutory Budget Meeting of Monaghan County Council held in the Council Chamber, Mtek on Monday, 21 November 2022 at 2.00 pm

Chair: Cllr S Conlon, Cathaoirleach

Present: Cllrs. Aughey, Bennett, Carthy, Connolly, Keelan, Campbell, McCooey, Coyle, Gilliland, P. Conlon, Maxwell, McElvaney, McKenna, O’Hanlon, P. Treanor, S. Treanor and Truell

Mr. P. Monahan, D/Chief Executive, Mr. J. Murray, Head of Finance, Ms. O. McConnon, Financial Management Accountant, Mr. C. Flynn, Director of Services, Ms. Nuala Woods, Director of Services, Mr G McMahon, A/Director of Services, Ms C O’Hare, A/Director of Services, Ms. M. McGarvey, Meetings Administrator

At the outset the D/Chief Executive welcomed all present to the Statutory Budget meeting for 2023. She stated that a lot of hard work had gone into the preparation of the Draft Budget particularly by John Murray, Head of Finance and Olga McConnon, Financial Management Accountant, and the Corporate Policy Group (CPG). The CPG had met on three occasions during the budget process on 11th & 18th October and 1st November.

Budget 2023

The Deputy Chief Executive stated that in accordance with the Local Government Act 2001, as amended by the Local Government Reform Act 2014, the annual budget for 2023 has been prepared in consultation with the Council’s Corporate Policy Group and provides for expenditure of €80,008,364 for the year ending 31st December 2023.

In framing the budget for 2023, she had taken into consideration the views of the elected members, with a continued emphasis throughout 2023 on the key areas of service delivery, including:

- The maintenance and improvement of key infrastructure and essential services
- The delivery of the Housing for All Capital Programme
- The regeneration and development of our towns and villages
- Economic and Enterprise development and job creation
- Climate Action

She added that the preamble to the Budget report demonstrates the work being undertaken by the staff in accordance with the policies developed by the elected members. In 2023, the Council will continue to prioritise the planning and delivery of a number of key capital projects. In accordance with the Local Government Act 2001 as amended, the three-year Capital Programme 2023 - 2025 is also circulated for noting by the elected members.

Considerable effort has been made by all members of the Council’s Management Team and their staff to produce a Draft Budget that will ensure that the Council continues to provide high quality public services and develop infrastructure for the people of County Monaghan.

She thanked all involved with the preparation of the draft Budget 2023 and looked forward to the continued support of the elected members in 2023. She recommended the draft Budget to the Council.

Mr. J. Murray, Head of Finance gave a financial overview to the members. He explained that every Local Authority receives a minimum amount of funding under the LPT allocation process, known as the Baseline. Baselines have remained unchanged for a number of years and are linked to funding previously received as a General Purposes Grant. The baseline for Monaghan County Council is €11,238,572. The baseline allocation for Monaghan County Council will increase for 2023 by €454,100 due to the decision of the Council to increase the base rate of LPT by 15% for the year. This increase was also applied for 2020, 2021 and 2022. This discretionary element of the Local Property Tax is allocated directly to the Municipal Districts resulting in an allocation of €252,733 for each MD for 2023. The Local Property Tax allocation for Monaghan County Council for 2023 is €11,692,672.

The calculation of the LPT Allocation for Monaghan County Council received from the Department of Housing, Local Government and Heritage for 2023 is as follows:

LPT 100% raised locally (prior to adjustment)	3,027,333
Contribution from Exchequer	8,211,239
2023 LPT Baseline	11,238,572
Increased Allocation Arising from Base Rate Adjustment	454,100
Total LPT Funding for 2023	11,692,672

He stated that having regard to estimated gross expenditure and income for 2023, the proposed Annual Rate on Valuation (ARV) for 2023 is 0.2374. This represents an increase of 5% on the 2022 ARV. Of the 71% of customers who pay less than €3,000 the average increase in rates is €61.14 for the year.

Mr Murray advised that at the end of 2021 there were 588 vacant properties in the county that had rates written off. 440 of these properties were deemed to be urban and 148 rural. In order to address the level of vacant properties in urban areas it is proposed to reduce the level of refund that is to apply to these vacant premises from 100% to 80%. It is hoped that this will act as a deterrent to commercial properties being left vacant and provide an improved economic stimulus to our local towns and villages.

The Cathaoirleach invited the Head of Finance to outline the provisions of the Draft Budget for 2023 under the various divisions.

Division A – Housing and Building

Mr. J. Murray, Head of Finance outlined the proposed expenditure and income provision for 2023 under this division. He advised that there is very little change from 2022 and highlighted the following:

- *Response Maintenance* - same level of expenditure provided for in 2023 – represents planned maintenance work
- *Rental Income* – does not reflect increase in rent, reflects an increase in housing stock
- *Disabled Person Grants* – at same level as 2022 as no indication yet of Department allocation

Division B – Roads Transport and Safety:

Mr. J. Murray, Head of Finance outlined the proposed expenditure and income provision for 2023 under this division. He stated that the out-turn for 2022 budget provision will generally form the budget for 2023. He stated that the budget for public lighting is up slightly on 2022. As agreed by members, the retrofit programme was funded through the Capital account and any savings in energy costs go towards paying that debt.

Matters raised by the members included the following:

- *Reclaimed Asphalt*
- *CIS*
- *Active Travel*

Ms G McMahon, A/Director of Roads, responded to the matters raised.

Division C – Water Services:

Mr. Murray informed the members that the net cost to the Council of the Water Services budget for 2023 was circa €311,000 and related mainly to public conveniences and the administration of the Group Water Schemes.

Division D – Development Management

Mr. John Murray, Head of Finance outlined the proposed expenditure and income provision for 2023 under this division. The slight increase reflects staff vacancies. The main costs in the Development Management budget is payroll – no real discretion in this budget.

Matters raised by the members included the following:

- *Tourism & Development Promotion*
- *Community & Enterprise allocation of €584,202*
- *Local Enterprise Office*
- *Period Poverty*
- *Monaghan Festival & Grants Scheme*

Mr Murray responded to the matters raised.

On the proposal of Cllr B McKenna, seconded by Cllr C Bennett, it was agreed that the €50,000 contribution to the GAA remain unchanged and that the proposed additional €10,000 along with a further €10,000 be allocated to the LGFA.

It was agreed that Finance Department would source the extra €10,000.

Division E – Environmental Protection

Mr. John Murray, Head of Finance outlined the proposed expenditure and income provision for 2023 under this division. He stated that the increase of €80,000 for the operation of the landfill is down to increased cost of transport for leachate disposal and additional energy costs. Fire Service budget remains similar to last year except for some increase in payroll, energy and fuel costs.

Matters raised by the members included the following:

- *Climate Change*
- *Litter Fines*
- *Refuse Charges hardship scheme*
- *Inspection of septic tanks*
- *Free collection points for bulky goods*

Mr Murray and Ms Woods responded to queries raised.

Division F – Recreation and Amenity

Mr. Murray outlined the proposed expenditure and income provision for 2023 under this division. He stated that there is very little change from 2022 and highlighted the following:

- *Library – main change is increased costs in payroll and energy costs*
- *Outdoor Leisure – parks and open areas – increased budget in some areas*
- *Maintenance of Playgrounds – extra €9,000 allocation to assist with additional costs in MDs*
- *Museum – increased costs due to preparation of collections for moving to new Peace Campus*

Matters raised by the members included the following:

- *Arts Office grants*
- *Library in Ballybay*

Mr Murray responded to queries raised.

Division G – Agriculture, Education, Health and Welfare

Mr. Murray outlined the proposed expenditure and income provision for 2023 under this division. He stated that the cost to the Co Council is approximately €200,000 which is mainly due to central management charge.

Division H – Miscellaneous Services

Mr. Murray outlined the budget provision for this division and highlighted the following:

- *Machinery account is self-financing*

- Value of allocation for irrecoverable rates has decreased by approximately €200,000
- Coroner Service – no input into the running of this service but must provide for it in budget
- Budget for members is largely similar to 2022 however no commitment has been made by the Department to fund additional Members costs resulting from the Moorehead report. €170k was received in 2022
- MD allocation is down by €100,000 from 2022 because this is based on LPT collected in the County. Total LPT collected in 2022 is €3.0m vs €3.8m in previous years. This is due to the number of houses that have moved to the lower bracket of LPT
- IPBMI dividend – was capitalised and taken back into budget when required
- Up to €515k has been committed to MCC for Energy costs due to Energy inflation
- €1.2m is committed to by the Department for additional LA payroll (inflation) costs in 2023

Division J – Central Management Charges

Mr Murray explained and outlined the apportionment of the Central Management Charge across all budgets. He stated that the overall cost of support services – HR, Finance, IT is €14.8 million. These are all the costs that cannot be charged up to individual sections. The costs are distributed across all sections as follows:

- IT costs – apportioned based on number of PCs in each section
- Corporate Buildings - apportioned based on area occupied by each section
- Pension and HR costs – apportioned based on no of employees

Mr Murray stated that the ICT applications budget reflects the increased costs of cyber security to the organisation.

The Head of Finance responded to the matters raised.

2. To consider borrowing an amount of €38 million for the purpose of constructing new civic offices

On the proposal of Cllr D. Maxwell, seconded by Cllr R. Aughey it was agreed to abandon Standing Orders to allow for a full and frank discussion on the proposed borrowing of €38 million for the purpose of constructing new civic office.

A discussion followed to which a number of members contributed and expressed support for the need to progress the Civic Offices project, for the benefit of staff, members, the public and future generations in the county.

Some members expressed their concerns about borrowing €38 million in advance Q1 of 2024, the first milestone of the project.

Cllr PJ O’Hanlon proposed, Cllr S Coyle seconded, that upon completion and relocation to the new Civic Offices, that all savings generated will be reflected in the rates; all rent generated from unoccupied buildings will be reflected in the rates and the revenue from the sale of unoccupied buildings in Monaghan Town will be fairly distributed throughout the county.

Mr Murray responded giving assurances that this would be the case. Members agreed the proposal.

The Chief Executive responded to the debate saying with this proposal Monaghan County Council are looking to do three things:

- to secure the future of the project
- to buy certainty
- to save money

Ms Monahan stated that *'the project can only happen if Monaghan County Council can afford it at the time we are ready to build. If we borrow now, we are systematically locking in certainty re. project affordability. It is a big and bold decision and the choice is to take a considered and measured decision on risk now or take a chance on rates in the future'*.

Cllr B McKenna proposed, Cllr S Coyle seconded that Monaghan County Council proceed with the borrowing of €38 million at a fixed rate for 30 years of 2.7% for the purpose of constructing new civic offices in accordance with Section 106 of the Local Government Act 2001.

A recorded vote was taken which resulted as follows:

For: Cllrs Aughey, Bennett, Campbell, Carthy, S. Conlon, Coyle, Gilliland, Keelan, P. Conlon, McElvaney, McKenna, O'Hanlon, P. Treanor, Truell

Total: 14

Against: Cllrs P Connolly, Maxwell, McCooey, S. Treanor

Total: 4

The Cathaoirleach declared Cllr McKenna's proposal carried.

Proposals relative to Budget adoption:

Mr. Murray then informed the members that there were two resolutions that required adoption by the Council before the conclusion of the meeting and these were referred to on Page 8 of the budget report.

(i) Refund of rates on vacant commercial premises

On the proposal of Cllr S Gilliland, seconded by Cllr R Aughey, it was agreed that the level of refund of rates on vacant commercial premises, that are available for rent or lease or are undergoing refurbishment, for the local financial year 2023 would be 80%.

(ii) Adoption of the Budget and the determination of the Annual Rate on Valuation:

Cllr PJ O'Hanlon proposed, Cllr B McKenna seconded

That the Council adopt the Draft Budget for 2023, as presented, and that the Annual Rate on Valuation for 2022 be determined at €0.2374.

A vote by show of hands resulted in 14 for, 3 against, 1 abstention. The Cathaoirleach declared the motion carried.

The Cathaoirleach declared the proposal in relation to the adoption of the Budget for 2023 carried.

3. To consider recommendations and minutes from Corporate Policy Group meeting held on 11 & 18 October 2021 and 01 November 2022.

The members noted the minutes of the Corporate Policy Group meeting held on 11th & 18th October and 1st November 2022 which had been circulated.

On the proposal of Cllr N Keelan seconded by Cllr S Conlon, it was agreed that the minutes of the Corporate Policy Group meetings held on 11 October, 18 October and 01 November 2022 and the recommendations contained therein be approved.

4. Capital Programme 2023 – 2025

The members noted that the Capital Report 2023– 2025 had been circulated along with the Budget report. Mr C Flynn, Director of Services stated that the Capital Programme would be an item for discussion on the January Council agenda.

The Cathaoirleach thanked the members of the CPG, the Management Team and the Councillors for all the work undertaken in the preparation, consideration and approval of the Budget for 2023.

Ms P Monahan, D/Chief Executive advised members that after 17 years of budget preparation, Budget 2023 was J. Murray's last budget. She stated that John was always collaborative and very professional in his approach. She wished to formally thank him and his team for Budget 2023.

The Cathaoirleach advised members that the December meeting would take place in Sliabh Beagh at 2 pm.

The meeting then concluded.

Signed: _____
Cathaoirleach

Meetings Administrator

Date: _____

The above Minutes have been amended at Monaghan County Council Meeting on 05 December 2022.