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MIONTUAIRISCÍ AN CRUINIÚ DE COMHAIRLE CONTAE CHIARRAÍ A THIONÓLADH I SEOMRA NA COMHAIRLE, ÁRAS AN CHONTAE, TRÁ LÍ, AR AN LUAN 25 MÉAN FOMHAIR 2017.

MINUTES OF THE MEETING OF KERRY COUNTY COUNCIL HELD IN THE COUNCIL CHAMBER, ÁRAS AN CHONTAE, TRALEE ON MONDAY 25TH SEPTEMBER, 2017.

PRESENT/I LÁTHAIR

Councillors/Comhairleoirí

R. Beasley	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. Grady	J. Healy-Rae	M. Healy-Rae
M. Kennelly	J. Lucid	D. McCarthy
P. McCarthy	T. McEllistrim	N. Moriarty
T. O'Brien	B. O'Connell	M. O'Shea
L. Purtill	D. Quigg	J. Sheahan
G. Spring	A. Thornton	

Apologies/Leath scéal

N. Kelleher S. Locke

IN ATTENDANCE/I LÁTHAIR

Ms. M. Murrell, Chief Executive	Ms. A. McAllen, Head of Finance
Mr. M. O'Donoghue Dir Corp.S.&Hsg	Mr. C. O'Sullivan, Dir. of Op., H&S
Mr. M. Scannell, Dir. Job Cr/Sust. ED	Mr. J. Kennelly, A/Dir. Water Services
Mr. L. Quinlan, Meetings Admin.	Ms. J. Maher, Fin. Mgmt. Accountant
Ms. K. Lynch, SEO Finance	Mr. G. O'Brien, A/SEO Envir. Serv.
Ms. K. Moriarty, AO Org.Dev.Per.Eff.	Mr. J. McCarthy, AO Finance
Mr. P. O'Shea, AO Finance	Mr. O. O'Shea, Press & Comm. Off.
Ms. T. Browne, AO Revenue	Ms. B. Reidy, SSO Corporate Support
Ms. S. Sheridan, SSO Finance	Mr. P. O'Connor, SSO Finance
Ms. M. Moriarty, AO Finance	Mr. R. Tangney, SO Finance
Ms. C. O'Connor-Galvin, SO Finance	Mr. J.J. Canty, A.S.O. Finance
Mr. B. Doolan, A.S.O. Revenue	Ms. G. Cotter, CO Finance

The meeting commenced at 10.50am.

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

Vote of Sympathy

Cllr. M. Gleeson extended a vote of sympathy to the family of the late Jimmy Magee. He was proud to have been his friend and he was a wonderful man who was the voice of sport.

Centenary of the death of Tomás Aigheas

Cllr. T. Ferris acknowledged that the centenary of the death of Tomás Aigheas was that day.

17.09.25.01 Report of the Chief Executive on the setting of a Local Adjustment Factor for Local Property Tax for 2018

Ms. A. McAllen referred members to the Chief Executive's Report on the Setting of a Local Adjustment Factor for Local Property Tax for 2018 which was circulated. She outlined the legislative background to Budget 2018 together with the Budget Process. She advised that consultation with CPG had taken place which focussed on the overall position of the Local Authority and in a pre-budget context discussed a number of items of budget policy and strategy. The Budget Strategy meeting will focus on the overall position of the Local Authority and include consideration of: -

- The financial consequences of any variation in the basic rate of Local Property Tax (LPT). Ms. McAllen referred members to the Chief Executive's Report on the Budget Strategy for Local Property Tax 2018, and matters of strategy including the amount of GMA to be provided to Municipal Districts and rates on vacant properties.
- The change to rating law which gives the power to the Members of Local Authorities to vary the level of rates refunds that apply in individual local electoral areas.
- Rates Harmonisation.

Ms. McAllen advised that Draft Budgetary Plans would be prepared for Municipal District Meetings which would be held on 23rd October 2017. The draft budgetary plans of the Municipal Districts do not include the main strategic non-discretionary expenditure of the Local Authority, the spending of which will be prioritised by the Members as part of the development of a schedule of municipal district works after the budget has been adopted. Draft budgetary plans are incorporated into the Draft Local Authority Budget for consideration in November. Council has agreed that the Budget Meeting will be held on the 13th November 2017. Following the adoption of the budget, a schedule of proposed works of maintenance and repair to be carried out during the financial year in each MD will be prepared having regard to the availability of resources.

Setting of the Local Adjustment Factor for Local Property Tax for 2018

Background

Ms. McAllen advised that 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%.

Any decision to vary the basic rate of LPT must be taken by 30th September each year so as to have effect from 1st November (liability date) and, therefore, determine the LPT liability for taxpayers in the local authority area the following year. It should be noted,

when the Members are considering varying the basic rate of Local Property Tax each year, the starting point is the national basic rate. Any local variation to the basic rate is effective for that year only. The Revenue Commissioners have to be notified no later than September 30th 2017 of the details of any decision made to vary the basic rate of LPT for 2018.

The Finance (Local Property Tax) Act, 2012 (as amended) and the Local Property Tax (Local Adjustment Factor) Regulations, 2014, provide that in taking a decision as to whether or not to pass a resolution to vary the basic rate of the Local Property Tax, the local authority must take account of its financial position and have regard to certain matters as follows: -

- The local authority's estimation of the income it will receive and the expenditure it will incur in the period for which the varied rate is to have effect
- The financial position of the local authority
- The financial effect of implementing a local adjustment factor including the potential impact on a liable person, potential impact on the local property tax revenue during the next local financial year, potential impact on the service delivery plans of the local authority the next local financial year and any other information the Chief Executive considers necessary and
- Feedback from any consultation held

A report on the above financial information and on the feedback from the public consultation is required to be prepared by the Chief Executive on the above matters for consideration by the Members in relation to the local adjustment factor. This report is prepared in accordance with these requirements for consideration by Members.

Schedule 1

Estimation of Income and Expenditure

Kerry County Council

	<u>Current Local Financial Year Budget</u>	<u>Next Local Financial Year 2018</u>
INCOME		
Commercial Rates	41,156,215	41,224,294
Local Property Tax	13,776,761	13,776,761
Grants and subsidies	28,523,585	33,906,243
Other income	43,273,445	42,143,588
Total Income	126,730,006	131,050,886
EXPENDITURE		
Payroll Expenses	53,251,524	55,154,904
Pensions	7,775,545	8,094,667
Loan interest and principal repaid	3,960,370	3,912,999
Social benefits (transfer payments to households) - note 1	7,942,768	9,165,984
Capital grants paid - note 2	3,430,000	4,098,682

Other expenditure - note 3	50,369,799	54,759,411
Total Expenditure	126,730,006	135,186,647

note 1

Refers to RAS Payments to Landlords, Homeless Service, Mortgage Subsidy for Affordable Housing and Shared Ownership Rental Subsidy.

note 2

Refers to Housing Support Grants, Rural Water Programme, Conservation Grants and Local Enterprise Office Capital Grants.

note 3

Refers to remaining budget which includes-

(a) Fixed costs to support Core Services incl. Insurance & Energy, Fire Services & Building Control,

Landfill & Transfer Station Operations, Coroners Expenses, Veterinary Services, Library Services,

Planning Control, Statutory Contributions and Establishment Expenses.

(b) Other Contra Items incl. Irish Water Operating Costs, TII Roads Programme & RAS.

(c) Other Operational Costs incl. Housing Maintenance, Library Book Fund, Parks & Open Spaces, Economic Fund, Community Fund, Voluntary Contributions and Roads Own Resources.

Ms. McAllen highlighted that the figure included for Grants and subsidies reflects income for compensation for elements of FEMPI and she was reasonably optimistic that these figures are realistic. Indications at present are that the Department will fund 90% of the cost of pay restoration. The ability to repay debt obligations ensures solvency and liquidity.

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

Potential Impact on the LPT Revenue in the forthcoming financial year:

Revenue Data:

The Council was advised in July 2017 (Cir. 05/2017) that the Net LPT 2017 position for Kerry County Council was €14,081,933 for 2017 at that time.

At the end of June 2017 there were approx. 68,200 properties returned in Kerry for LPT.

The Council received notification from the Department of Housing, Planning and Local Government on 21st July 2017 of the Provisional Local Property Tax Allocation for 2018. The Local Property Tax allocation for Kerry County Council therefore for 2018 (pending any decision to locally vary the basic rate) is €13,776,761.

Based on these figures a variation to give effect to a 1% variation in the basic rate of LPT for 2018 would potentially result in an adjustment of €140,819.

It must be noted that the Department has advised that if Kerry County Council decides to vary the LPT basic rate upwards (by up to 15%) in 2018, 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 2018, the resultant loss in LPT income will be reflected in reduced LPT funding to the Authority.

Potential Impact on a Liable Person

The amount payable for LPT is determined by the market value of the residential property on 1st May 2013 as self-assessed. Property values are organised into a number of Valuation Bands by Revenue up to €1m as set out in the Table included in the Report. 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 €1m.

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

The market value of the residential property as at 1st May 2013 forms the basis for the calculation of the tax for 2013 to 2019 inclusive.

The details of the effect of a 1% variation are set out in the Table.

Ms. McAllen advised that she also set out in the Report the impact on the liable person, and the impact on LPT Revenue for Kerry County Council for 2018, of a variation in Local Property Tax rate. The impact on LPT Revenue of Kerry County Council of a 1% Variation would be €140,819 while a 10% Variation would be €1,408,190. This would be a very modest increase per week for home owners to achieve a realistic Budget.

Potential Impact on the Service Delivery Plans of the Council

The Local Property Tax Allocation continues to form a large percentage of overall income (11% in 2018) and is a general purpose grant which can be used across the divisions over all areas of expenditure and forms a critical source of income to fund services.

The Department has confirmed that any decision taken at local level to reduce Local Property Tax rates will be reflected in a reduced Local Property Tax Allocation in 2018. No additional funding will be available to the Council from the Department to offset any reduction in Local Property Tax.

3.5 Feedback from Public Consultation

Ms. McAllen advised that the Council published notice of Statutory Notice of Consultation of Setting a Local Adjustment Factor on 27th July 2017 in accordance with the Local Property Tax (Local Adjustment Factor) Regulations, 2014, providing a period up to 29th August 2017 for the making of written submissions from the public. For that purpose, notice was published in The Kerryman, Kerry's Eye and on the Council's website and was highlighted on social media. 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.

A summary of the written submissions received from the public consultation and the main issues raised is set out below. The Members must consider the feedback from the public consultation process, the main issues raised are as follows: -

- A total of three submissions were received from the public as part of the legislative process. All three submissions were from individuals.
- One submission requested a reduction on the rate on the basis of economic grounds.
- The other two submissions were personal queries in relation to Property IDs and online access – both queries were replied to referring them to the Revenue Commissioners website and correct email address.

3.6 Conclusion

Ms. McAllen advised that she had set out in the report and the Budget 2018 Strategy Report the items that must be considered by the Council as part of the decision making process in relation to making any variation of the rate of Local Property Tax and overall Budget Strategy. It must be noted that a Local Authority may not set a local adjustment factor unless it has considered all of the relevant financial and other information outlined above.

The Chief Executive then introduced the Budget Strategy Report.

Ms. M. Murrell advised that information on the estimated expenditure and income which forms the basis for the draft Budget 2018 is set out in the report. In calculating the current budgetary position expenditure has been reviewed, cost savings implemented and income levels assessed and estimated. At that stage of the Budget Process it is evident that additional income is required to maintain and deliver service levels and progress projects into 2018.

Also at that point in the Budget process, the draft expenditure figure for 2018 is €135.187m and the draft income figure is €131.051m resulting in a shortfall of €4.136m.

Payroll

In relation to the increases required under the various National Pay Agreements highlighted at the Pre Budget meeting, the Local Government Sector has subsequently been in discussion with the Department, and accordingly for the purpose of framing Budget 2018 it is assumed that 90% of the additional costs associated with the pay

agreements will be met centrally for 2018. However, this is subject to further discussions and formal confirmation.

Financial support for County Economic Drivers

Included in the expenditure outlined is a provision to support project submissions, under the Regional Action Plan for Jobs, to the Regional Enterprise Fund.

As previously presented to Council, Kerry County Council has been very active in this area and is working with Industry and Third Level institutions to progress transformative projects for the County. The Chief Executive proposed budget support for the following:

Stream 1

➤ Agri-Tech –Centre of Excellence

The proposal promotes the development of a Global Centre of Excellence in Agri-Tech with the objective of positioning Ireland at the fore-front of the international Agri-Tech Industry. The project is a collaboration between the ITT and the leading Agri-Tech Companies in the Country – including Dairymaster. The intention is to locate the Centre of Excellence within County Kerry – the potential for economic benefit accruing to the County from such a development is very significant, as it would place the County as the national location for Agri-Tech Training, Research and Development. The potential for the 3rd Level College in the County, as a Centre of Excellence in the area of Agri-Tech will have a significant knock-on-effect and positive reputational impact for the County.

➤ Research & Development Innovation Hub (RDI – Hub)

Killorglin Centre of Excellence for Applied Research, Co-Working and Co-Learning – nurturing the high-growth and entrepreneurial segments of all the Region's Industries. The RDI-Hub application has the potential to develop the research capacity in the Region, accelerate knowledge transfer and the placement of researchers in industry. The Hub will provide innovative and Industry-Tech Education and Training opportunities – linking the Higher Education Authorities in the Region. The ITT and FEXCO have lodged the application and Kerry County Council would propose to strongly support the project application. The potential to bring increased employment to the County is a critical element of this application.

Ms. Murrell also noted other applications (under stream 2, 3& 4) -Dingle Creativity Hub, Sneem Enterprise Centre, Kerry Sci-Tech CLG & Firies Food Hub which the Council has supported previously.

To enable the Council to support and realise the above Stream 1 applications, which are potentially transformative for this County in terms of reputation and employment, it is estimated, that a funding stream of €600,000 investment by Kerry County Council, needs be identified. These projects have the potential to attract multi million State Grant aid and very substantial private investment to the County. This amount represents an increase of 4.26% in Local Property Tax for 2018.

In addition, she recommended that the Council considers the establishment of an economic fund of equal amount, available to allow decisions to be made in relation to future potentially transformative projects for the County.

Support for Operations

The Budget is framed to maintain services at the current levels for 2018. Included in the Draft Budget are proposals to focus on customer service delivery during 2018 – including proposals to monitor and manage service specific delivery activity across the organisation. These will be further addressed as part of the Municipal District Service Delivery Plans.

The transfer of the Housing Assistance Payment (HAP) function to Kerry County Council has added significantly to the activity levels in the Housing Department. Included in the Budget are proposals to support this activity. She proposed in the expenditure set-out to hold the funding for Housing Maintenance and Operations at the 2017 levels – this being subject to funding availability.

Over the last number of years, the need for a review of Staffing Levels across the Municipal Districts has been identified. The Budget and the level of National Road Grants have had limiting implications for this.

It is proposed that an increase in allocation/funding would be assigned to increasing our Out-Door Staffing levels – albeit limited recruitment, and in strategic positions within each of the Municipal District Areas. These resources will be assigned to strengthening enforcement around hedge cutting, improved road side drainage and presentation of town and villages and environs and will form part of the Municipal District Service Plans. This may be achieved through additional allocation together with a review of the existing structure of the Own Resources Operational Budget.

OPW Flooding and Coastal Schemes

It was previously outlined to Members the proposal to fund an increase in allocation for OPW flooding and coastal schemes. An increase in allocation will allow the Council to co-fund an increased Work Programme in respect of submission to the OPW Minor Flood Mitigation Works and Coastal Protection Schemes. An additional allocation of €100,000 would co-fund schemes to the value of €1 million. This additional increase would represent a 0.7% increase in Local Property Tax.

Burial Ground Provision and Development

The provision of Burial Grounds has become a considerable issue for this Council. An extensive County Programme for Burial Ground acquisition and development is being finalised and a Loan Approval Programme will come shortly before Council. It is proposed that the Loan Repayments provision of €70,000 be included in Budget 2018. This represents a 0.5% increase in Local Property Tax.

Infrastructural Projects

The Council has made strong progress in delivering a number of important infrastructural projects to the County over the past year. Financial stability and prudent planning has enabled the Council to acquire central funding to deliver worthwhile projects across the County.

Tralee Municipal District

- Tralee Town Centre West Master Plan (Island of Geese)- nearing completion, demolition work progressing
- Completion of Denny Street/The Mall

- Completion of the Canal Walk
- Tralee/Fenit Route Development- planning phase commenced
- Improvements to entrance to Fenit village and linkages between the upper village and the waterfront/promenade.
- Supporting and developing the built Tourism Infrastructure.
- Advancement of Mitchells Regeneration and associated projects

Killarney MD

- Commencement of the Lewis Road/Áras Phádraig Master Plan Redevelopment
- Commencement of the Sara Lee expression of interest process
- Plunkett Street Public Realm Upgrading
- Acquisition of Land and commencement of planning process to develop the Flesk Walkway/cycleway
- Progression of Lough Leane Loop
- Cultural Centre Part 8 commenced
- Refurbishment of the Carnegie building in Castleisland and the development of an E-commerce facility for business start ups.
- Castleisland Riverwalk upgrade.
- Undergrounding of services in Gneeveguilla.

Listowel MD

- Progressing/Planning for the North Kerry Greenway
- Demolition of the Neodata Site and progressing plans for development
- Implementation of Listowel Heritage Plan
- Tarbert Amenity Project
- Ballybunion Beach Facility Development
- Establishment of the Listowel Business and Community Alliance
- Tourism Ambassador Programme

South and West MD

- Skellig CRI Project – the delivery of higher education, research and innovation in the form of a satellite university in the Library in Caherciveen. This project is delivered in conjunction with UCC and South Kerry Development Partnership.
- Support for the Valentia Transatlantic Cable UNESCO project
- Substantial progress in advancing the CPO for the South Kerry Greenway- a vital piece of infrastructure for the region
- Progressing REDZ Projects in Killorglin and McGillycuddy Reeks Pathway improvements
- Development of outdoor playground in Dingle and the provision of adult exercise equipment at Dingle Pier and Kenmare Pier.
- Sneemec - Refurbishment of the old Sneem Enterprise Centre to serve as a hub working facility.
- Provision of additional parking at Portmagee to accommodate the increase in visitors to the area.
- Retrofitting all public lighting in the Dark Sky Reserve to enhance the area for Astro-Tourism.

- The establishment of the Milltown Alliance and the completion of a demographic and socio-economic profile of Milltown.

These very progressive and positive projects from across the County will in time, and over the longer term, provide very positive results for the economy and the social fabric of the County. However, it is important in the short-term that the financial support is available to make these and similar type projects a reality.

It is proposed to establish a specific team within the local authority at the start of 2018, who will drive the Tralee Town Centre West Master Plan (Island of Geese), the Lewis Road re-development and the other strategic opportunity sites for development throughout the County.

The expenditure required to underpin and support these projects would no doubt impact on the revenue budget and are included and form part of the draft expenditure budget she had outlined.

Housing Construction Programme

Kerry County Council has a very substantial Housing Construction Programme underway. It is critical that we plan now for the next phase of the housing construction programme, which will require this Local Authority to acquire lands.

The Land Loan Portfolio has been highlighted in previous budgets and the Council has been prudent to make some provision to offset the liability in this area. As the Housing Construction Programme advances some land costs have been offset against the various schemes, however, a significant liability remains to be funded. It is essential that Kerry County Council provides financial contribution on an annual basis, over a set period, to offset these liabilities. In addition, Kerry County Council will require additional lands over the coming years and it is critical that the Council have available, an upfront fund to enable it to acquire these lands.

Insurance

As set out at the Pre-Budget meeting the rising cost of Insurance is a significant cost driver for Budget 2018. Kerry County Council has been in discussion and negotiation to examine the most cost effective way in which the premium can be assessed. A model is under examination and an additional provision of €600,000 is provided in Draft Budget 2018.

Income

Kerry County Council has continued to focus on maximising income across all its revenue streams. Following on from amalgamation of the four Local Authorities, critical processes have been streamlined and efficiencies have been achieved year on year. Kerry County Council has set high targets for the organisation to achieve for Budget 2018 across all income streams. In the current operating environment uncertainty surrounds a number of income streams, such as Irish Water, and also the enduring loss from the global revaluations will continue to impact this Local Authority for Budget 2018 and beyond.

Over the coming weeks, as part of the Budget process, a full analysis and impact assessment will be undertaken of all critical income streams including a review of the rates harmonisation period, income collection levels and car parking income.

Rates on Vacant Premises - Financial Impact

The current rate of refund in Kerry County Council is 100%. Analysis would indicate that this source of revenue would provide a very low collection rate, given the type of properties that qualify. It is accepted that some potential income may exist in the larger towns in the county, however, Members do not have the option to vary the rate in particular locations within the Municipal Districts. In light of these difficulties, and the likely review of this area nationally in 2018, it is considered that any financial provision in this area would be unwise.

General Municipal District Allocation (GMA)

The definition of the GMA is included in the Chief Executive's Report on the Setting of a Local Adjustment Factor for Local Property Tax for 2018. However, she advised members that any GMA is dependent on the level of income available to the Council in the context of the overall budget.

The overall Municipal District Allocation for 2017 was €1,707,000. This is comprised of €750,000 for the Municipal District fund and Councillor Specific Municipal Operations District allocation of €957,000. The Municipal District Fund has benefited the four Municipal Districts under the following headings; Community Projects, Tourism including Festivals, Recreation/Amenity and Community based Economic Projects and has achieved many of the objectives of this Council's key strategies.

In the context of Budget Strategy and resources available, it may be necessary to review the overall allocation in this area and agree with Council the level of strategic funding set aside which enables grant drawdown under Town and Village, REDZ and Rural Recreation schemes.

Draft Budgetary Plans – Meeting October 2017

The draft budgetary plans of the Municipal Districts will be brought before Members - October 23rd 2017.

Proposed % increase in Local Property Tax (LPT)

In this report, the major issues and cost drivers which need to be considered in framing the Budget Strategy for 2018 have been highlighted. These must be considered in conjunction with the Chief Executive's Report on the Setting a Local Adjustment Factor for Local Property Tax 2018. Having reviewed the spending needs of the organisation required to maintain day to day service levels and support ongoing developments across the County and given the continued stagnancy/reduction in income in 2018, it is essential that the LPT allocation contributes to meeting, in part, the shortfall of €4.1m which currently exists between the estimated expenditure requirement of €135.187m and the estimated income of €131.051m.

The table below sets out for information, valuation bands for Kerry, the impact on the liable person, and the impact on LPT Revenue for Kerry County Council for 2018, of an increase in Local Property Tax rate:

LPT 2017 Valuations Bands €	0 – 100,000	100,001- 150,000	150,001- 200,000	200,001- 250,000	250,001 - 300,000	Over 300,000
Kerry County Council	31.6%	32.4%	26.5%	5.7%	2.0%	1.7%
Impact on Liabe Person of a 1% Increase	€0.90	€2.25	€3.15	€4.05	€4.95	€6.75 based on €375,000
Impact on Liabe Person of a 10% Increase	€9.00	€22.50	€31.50	€40.50	€49.50	€67.50 based on €375,000
Impact on LPT Revenue of KCC of a 1% Increase €140,819						
Impact on LPT Revenue of KCC of a 10% Increase €1,408,190						

Ms. Murrell advised that accordingly, she proposed, a 10% increase in the basic rate of the Local Property Tax, which will yield an additional income of €1.4m to the Local Authority in 2018. It should be noted, when the Members are considering varying the basic rate of Local Property Tax each year, the starting point is the national basic rate. Any local variation to the basic rate is effective for that year only. In addition to the proposed increased LPT allocation, it will be necessary to identify cost savings and increased income to address the remaining €2.7m shortfall.

Cllr. M. Gleeson read the following statement into the record of the meeting.

“If I was a poet, in the context of this debate I would write:

“I am Kerry like my mother before me
And my mother’s mother and her man.”

But I am not a poet and one Poet Laureate is sufficient in any political Forum.

I would so write because when we were young in Minish, my siblings and I, like so many other Kerry people, looked around and decided that we and it had to be our and its own salvation.

We knew from very early on that no Knights in shining armour were going to come from the East to enhance our lives. We would have to do it for ourselves. And colleagues that has not changed. We must progress our county for our own people. Those in high places care little for our peripheral Kingdom.

When I was a student I listened to the inspirational lecturer, Brian Farrell, talk of the merits of Federal government as for instance in Switzerland with its 23 Cantons and I knew that such a system would serve Kerry best.

Since then I have spoken, written and made submissions to the best of my ability on how I perceived Local Government could best function. By and large no one listened

because those in Dublin did not want to know. Not only did they not listen but they gradually diminished local authorities. Bit by bit they stripped away our very definition. I bitterly regret that fact, a fact aided and abetted by those we sent to the Houses of the Oireachtas to act on our behalf.

The LPT may not be an ideal system because in politics no system is ideal. But it is what we have and we must maximise its potential to develop our county. Each Electoral Area has its own very worthy projects as outlined in this document from our CEO. We have a moral obligation to advance them because they are the avenues of opportunity for our future. If we neglect to progress them we are failing ourselves, our electorates and above all our young. The proposed relatively small increase in the LPT has the potential to be transformative for Kerry. If we accept it we will be giving our people a decent chance to live 'Skin to Skin with the earth' of our own county. We owe it to ourselves and to them.

I therefore believe that a 10% increase is justified this year and I so formally propose.”

Cllr. Gleeson welcomed the clarification that LPT would revert to the base year each year as he was concerned about the cumulative effect of any increase. He welcomed the 90% recoupment by the Department of the cost of pay restoration. At the National Tidy Towns Awards the importance of the appearance of the county was stressed and he requested that the county would be maintained to a highest standard. In conclusion he acknowledged the work of volunteers and workers in this regard.

Cllr. B. Cronin expressed his disappointment that the briefing earlier was held in committee as he believed all meetings should be held in public. He welcomed the recoupment of the cost of pay restoration by the Department. While he had no difficulty making tough decisions he would not let his constituents' down. He expressed his frustration at the difficulties he is encountering in getting basic services such as the cutting of roadside hedges for his constituents who pay LPT but feel they are not getting anything in return. Cllr. Cronin acknowledged the importance of the two Stream 1 projects but his priority is the delivery of services to the person paying LPT. No additional parking has been provided in Killarney for the last 3 years. Cllr. Cronin highlighted that he makes representations on behalf of his constituents to various Council Departments but they do not acknowledge or respond to his representations. This is unacceptable and it creates frustration. He expressed his disappointment that funding will not be provided for job creation in the Killarney MD and he added that there is huge potential in the Sara Lee premises and this should be given priority. The Lough Leane project is at a standstill and he was most anxious to see it completed. He asked how many outdoor staff retired in the past few years and why they have not been replaced.

Cllr. T. Ferris concurred with the views expressed by Cllr. Cronin regarding the holding of meetings in committee and she asked that all meetings would be held in public in future. She added that there is something wrong with the way Kerry County Council engages in public consultation as she uploaded a document to Facebook which got 25 times more comments than submissions made to the Council on LPT. 91.7% of those who commented were in favour of a reduction in LPT while a small percentage supported an increase. In her opinion this is not the way to bridge the gap and her Party have repeatedly offered alternatives to management while other local authorities are considering levying rates on vacant properties. There is a national Repair and Rent

Scheme that incentivizes property owners to repair and let their property. There are vacant local authority houses and this is resulting in a loss of revenue. These houses should be repaired and let as soon as possible. In her opinion it should be possible to recoup some of the cost of the landbank if houses were built. Small savings could be achieved in postage as presently members receive a number of individual letters which could be posted for the price of one stamp. Savings could also be achieved by reducing allowances paid to elected members and senior staff. Councillors gave a commitment to the electorate prior to the 2014 Local Election that they would not increase LPT and she would not support any increase in LPT. A year ago Council was informed that management would research the implication of levying rates on vacant buildings and she expressed her disappointment that a report was not presented to Council on it.

Cllr. M. O'Shea highlighted that at the Special Meeting to consider the Draft Development Contribution Scheme a number of projects were mentioned as being a priority for the county and they are also included in the Chief Executive's Report. While Kerry County Council cannot create jobs they can create an environment where sustainable employment can be encouraged. It is very frustrating that the IDA have not secured a tenant for the advance unit in Tralee. Cllr. O'Shea stressed the importance of being positive and he acknowledged the very successful companies in Kerry i.e. Liebherr, Fexco and Dairymaster. The two Stream 1 projects are very important for Kerry, however, he was very conscious that many homes are in negative equity and for this reason he could not support a 10% increase in LPT. He PROPOSED a 5% increase in LPT which would generate €700,000 and this should be sufficient to support the two projects. Income from Development Levies should be sufficient to support the other projects mentioned in the CE Report. Cllr. O'Shea asked that an environment would be created to encourage our youth to stay in Kerry and our emigrants to return home.

Cllr. J.J. Culloty highlighted that while it is the Council's function to maintain roads there has been a 56% cut in the roads allocation in recent years which has not been restored. The members are now being asked to support an increase in LPT yet the majority of households in the county are low or middle income earners. Central government is encouraging local authorities to fund projects which is unfair on the public. While Cllr. Culloty acknowledged that LPT would revert to the base rate next year he presumed management would be seeking an increase again for 2019. Cllr. Culloty asked that a minimum of 2 additional staff per MD would be taken on in 2018 and that all staff that retire are replaced. In conclusion Cllr. Culloty stated that he could not support an increase in LPT for 2018.

Cllr. J. Finucane highlighted that this is a critical meeting for the county and in his opinion rather than ask what can be got from paying LPT members should ask what can they do to help the county out of the present economic situation. If the causes of decline are not tackled, we will contribute to the decline of rural Ireland. Members met with Martin Shanahan, CEO of the IDA and advised him that the response from the IDA, from a Kerry perspective, was not adequate. The onus is on the members of Kerry County Council to deliver for the county. If members agree to increase LPT then they can approach the Government and ask them how they can help the county. The two Steam 1 projects are family run businesses who have proposed these forward thinking projects. They have the ability to attract highly qualified people to Tralee and Killorglin. Cllr. Finucane added that these 2 projects have the potential to deliver employment for the county and without economic activity the county will not grow. He concluded by stating

that in supporting the proposed 10% increase in LPT he believed it was an opportunity and his duty to deliver the economic recovery of the county.

Cllr. P. Daly highlighted that the 2 companies mentioned are already wealthy companies and it is unfair to expect the low income households to pay a 10% increase in LPT to support them. This is unfair when hotels, restaurants etc. can avail of a reduced rate of VAT at 9%. Rates harmonization will take place over an 8 year period and there are no rates on vacant commercial premises. Two of the biggest proposed infrastructural projects over the next 2 years are the road to Fenit and the provision of gas to Kerry Co-op in Listowel which will help Kerry Co-op increase their profits. Cllr. Daly acknowledged that Liebherr is a good employer. He referred to the Denny Site and stated that it should not be handed over to private developers. In conclusion Cllr. Daly congratulated Tralee on retaining their Gold Medal in the Tidy Towns Awards.

Cllr. D. Quigg stated that the plans outlined in the report are very ambitious and he supported employment. However, his difficulty is with the services being provided to the public at present. In the South & West Kerry MD people pay LPT but they must also pay bin charges and charges for other services at a time when families are struggling financially. Members are being asked to fund the shortfall in funding from central government and this is unacceptable. In the North property tax on a 3B house is £700 but they get a lot of services for this and as a result people understand the value they are getting. In the South bin charges can be as high as €500 with LPT approx. €200 that is before USC and the pension levy are paid. It would be unfair to expect rural communities, whose Post Offices are closing down, to pay an increase in LPT when there is no vision to create employment in rural areas. Cllr. Quigg stated he could not support an increase in LPT.

Cllr. R. Beasley concurred with the views expressed by Cllr. Cronin and stated there is a lack of local authority housing. His constituents had issues with windows, doors, ranges, stoves and locks in local authority houses and funding was not available to carry out the necessary repairs. Cllr. Beasley stated that he could not support an increase in LPT which would impact on these people. He had a major issue with beach cleaning, street cleaning and hedge cutting which is a disaster. But for the Tidy Towns groups the county would not look as well as it does. Staff who retired have not been replaced and he supported the call for the replacement of staff and the funding of job creation from within the existing budget. Flooding of houses at the Cashen has not been addressed and home owners can no longer get insurance. In conclusion Cllr. Beasley called for the provision of additional car parking.

Cllr. J. Healy-Rae acknowledged that management want to support these 2 Stream 1 projects but a 10% increase in LPT is unacceptable. He thanked those who pay rates, commercial charges etc. Many cul de sac roads are in a poor condition and they can only be improved through the Community Involvement Scheme. Property owners in other counties pay less in LPT. In some instances, property owners valued their houses on the 2nd or 3rd band but subsequently similar houses were sold for far less and it took a long time to get their houses revalued which is unfair. Also development levies were reduced by some local authorities but that was not the case in Kerry rather additional levies were imposed on farmers. Cllr. Healy-Rae highlighted that while a tender was advertised for the construction of 20 houses at Ardbhearna, Kenmare the provision of a footpath from the Centra shop to this estate was not included. On a number of occasions

he requested that this footpath would be provided before any additional houses were constructed. Cllr. Healy-Rae asked that temporary seasonal staff would be made permanent. At present there are inadequate staff numbers to fill potholes and clear drains. Some temporary staff have been with the Council for 22 years and he asked that anyone who has been temporary for longer than 5 years would be taken on full time.

Cllr. D. Grady highlighted that a number of years ago it was government policy not to build local authority houses and this policy proved to be a failure. He welcomed the current housing construction programme. In his opinion a 10% increase in LPT is too much to expect many households to pay as they simply cannot afford it. He highlighted that two people lost their lives at the Lewis Road Junction and this junction needs to be improved urgently. A lot of income from the Killarney MD is utilized to provide services for the rest of the county while the town of Killarney is disimproving. In conclusion Cllr. Grady asked where is the capital fund that transferred from Killarney Town Council and how much of it remains.

Cllr. M. Healy-Rae advised while she would like to see the two projects outlined come to fruition, it is important to look after the basics. There is a problem with valuations which were to be reviewed in 2016 but that did not happen. In the Killarney MD a number of years ago there were 6 road crews while now there are just 2. A number of staff have retired but they have not been replaced. Public lighting is another cause for concern and she added that in one estate in Killarney 5 lights are broken and she has been asking for months that they would be repaired. Council tenants have asked that their windows and doors would be replaced as they are letting in water but this has not happened.

Cllr. P. Connor-Scarteen highlighted that the clearing of drains and the cutting of hedges are not being addressed. He welcomed the 2 Stream 1 projects and added that Kerry County Council should support them. Cllr. Connor-Scarteen also welcomed funding for the Dingle and Sneem Hubs. The turnaround time for vacant houses is not acceptable and should be improved. He acknowledged the work of Tidy Towns Committees. Hedge cutting is a major issue in some areas as they are not being cut and are a hazard for motorists, cyclists and pedestrians. Cllr. Connor-Scarteen emphasized the importance of assisting areas that are prone to flooding and he hoped there would be progress in this area for Kenmare under CFRAMS. He called for the repair of existing footpaths in burial grounds and the provision of funding for the acquisition of lands for the South Kerry Greenway. The improvements to the Reeks paths are welcome as it is important to develop improved walking routes. In conclusion Cllr. Connor-Scarteen advised that there are huge demands on the GMA but there needs to be a greater focus on smaller towns.

Cllr. G. Spring stated it is inevitable that LPT will increase in time but it is all about timing. In his opinion 10% is too much to ask given there is no significant return to people from the national budget. He welcomed the 2 Stream 1 projects and asked if Kerry County Council could borrow the funding required to support them. He asked where the Agri Tech project would be located and for further information on the number of jobs to be created etc.

Cllr. T. O'Brien stated no one wants to increase taxation on anyone yet the government is not providing funding. For this reason, he believed LPT must be increased. The present level of staffing is completely unacceptable and is at crisis point. The fact that Tralee retained its Gold Medal in the Tidy Towns Awards is down to the commitment and

dedication of Council staff and volunteers. He emphasized the importance of delivering the everyday services efficiently for the people of the county.

Cllr. L. Purtill indicated his support for a 10% increase in LPT to support the 2 projects which will create badly needed employment in the county. He added that overgrown hedges are a major issue in North Kerry that must be addressed.

Cllr. J.F. Flynn highlighted that 5 or 6 members of staff in the Mid Kerry area are due to retire in the coming months and he asked that they would be replaced. He welcomed the funding for the Cliff Road, Glenbeigh but expressed his disappointment that Kerry County Council had to raise a loan for the balance of the cost and he called on officials to revert to the Department to try to secure an allocation for the outstanding balance. Hedge cutting is an ongoing problem that must be given priority in 2018. He welcomed the proposal to increase funding for coastal protection works but he expressed concern at the length of time it takes to submit an application to the OPW for funding.

Cllr. S. Fitzgerald welcomed the comprehensive report and added that he lives in a tourist area and tourists are complimentary about how well the county looks. Kerry is not neglected by the Government as funding was allocated for the Tralee By-Pass, the N86 and many more roads projects. 2 new schools were built in Milltown and Blennerville also. Members must consider the message they send out to FEXCO and Dairymaster if they do not agree to the Chief Executive's proposal to increase LPT by 10%. The fact that Kerry County Council will provide financial support for these projects will be significant at a national level also. It is vital that the Council has funding to support job creation and for this reason he would support the proposed 10% increase in LPT.

Cllr. N. Moriarty highlighted that these 2 projects come along once in a generation and they will have a long term beneficial effect on the county. One of the biggest problems facing the county is the rate at which young people are leaving. These 2 companies will offer opportunities for graduates and they should not be jeopardized. However, she was also conscious that a lot of households are struggling and she SECONDED Cllr. O'Shea's proposal that LPT would be increased by 5%. This would not be a huge increase and she indicated her full support for these 2 projects.

Cllr. P. McCarthy welcomed the recent allocation of €727,000 for LIS. He welcomed the reports and the fact that 90% of the cost of pay restoration can be recouped. Cllr. McCarthy indicated his support for a 10% increase in LPT on a once off basis only.

Cllr. A. Thornton requested clarification on the commitment given on hedge cutting for North Kerry and the taking on of additional staff. In accordance with the call from Enterprise Ireland there is a requirement to have different partners and she asked if Kerry County Council will be a partner with the 2 companies. She requested clarification on the statement that these are 'not for profit' companies and also the number of jobs to be created. Cllr. Thornton stated this was a very difficult decision for members but she acknowledged in accordance with the Local Government Act 2014 economic development is one of a local authority's core functions.

Cllr. M. Kennelly stated that the proposed increase in LPT will support job creation while also addressing the issue of hedge cutting. The 2 companies involved are profit making companies who already employ a substantial number of people. Hedge cutting is an

ongoing problem and he did not want to see a second Roads Enforcement Officer employed but rather that machinery would be purchased to cut hedges. In the Listowel MD five outdoor staff will retire in the coming year and he asked that they would be replaced by full time staff. In conclusion Cllr. Kennelly indicated his support for a 10% increase in LPT to support job creation and to allow for better service delivery in his area.

Cllr. M. Cahill stated this is one of the most innovative proposals to come before Council. He welcomed the 2 projects and the fact that ITT, Dairymaster, FEXCO and Kerry County Council will work in harmony. Proposals for hedge cutting are also welcome. In the context of job creation Cllr. Cahill highlighted that the problem with the lack of an adequate broadband and mobile phone service must also be addressed. Some people who want to work from home cannot do so and priority should be given to addressing this problem. Cllr. Cahill welcomed the allocation of €727,000 for LIS and added that there are hundreds of private roads in the county, some of which have up to 20 houses and it will be years before they will be improved. Many of these roads should be taken in charge.

Cllr. N. Foley welcomed the LIS allocation and added that 9 workers in Tralee were left go the previous Friday. She asked how that would impact on the carrying out of work under the LIS. Cllr. Foley acknowledged the detailed reports circulated to members which she believed were ideal and aspirational but for her there is a conflict between what is ideal and what is fair. While she would like the Council to be supportive of these projects she was not convinced we have the financial resources for them. There are a variety of ways that the Council could support them other than financial. Cllr. Foley stated she would find it difficult to support an increase in LPT as it would have an adverse impact on those struggling with personal debt, those trying to educate their children etc. She called on management to be more imaginative on how Kerry County Council can support these projects.

Cllr. B. O'Connell welcomed the allocation for LIS which is a positive development for workers also. While it is a difficult decision to support an increase in LPT he believed members must support these 2 projects. Those who pay LPT have students and graduates who hopefully will benefit from these developments. Cllr. O'Connell indicated his support for the proposed increase in LPT if it will help to progress these projects.

Cllr. J. Lucid welcomed the funding for LIS, coastal erosion, burial grounds and footpaths. He acknowledged it is a difficult decision for members as people are struggling but members must consider the economic potential of these 2 projects for graduates and services. As the IDA have done nothing to help economic development in the county, Kerry County Council must do all it can to promote and support economic development in the county. In conclusion Cllr. Lucid stated he would support an increase in LPT for 1 year.

Cllr. J. Sheahan stated Kerry faces many challenges including roads, broadband etc. and the funding for LIS is a good start. While it is a difficult decision he would support job creation and the proposed 10% increase in LPT.

In response the Chief Executive assured members that the Budget and services were examined in great detail before the proposal for a 10% increase in LPT was brought to Council. This is a once off opportunity for job creation in the county and she

acknowledged member's concerns regarding hedge cutting, roads and staffing. These issues would be reviewed when notification of road grants are received. Through the recession Kerry County Council maintained the own resource element of the budget. The proposed 10% increase will allow for the continuation of existing services and to meet new opportunities. The Chief Executive acknowledged member's concerns regarding the lack of adequate car parking and she undertook to bring proposals to the Killarney MD for consideration. The Council was fortunate to acquire land for car parking in Dingle and there are a number of car parking proposals across the MDs. However, these must be self-financing through car parking charges. Vacant sites such as the Sara Lee site in Killarney will be addressed in due course and she proposed that a small number of staff would be assigned to progress these matters.

The Chief Executive advised that the Repair to Let Scheme is being monitored nationally. She referred to the landbank and confirmed that some houses will be constructed in 2018 but flooding and changes in zoning meant that some of the land cannot be used for housing. Other Council land is in areas where there is not huge demand and this will result in long term liability and she wanted to plan for that. The Denny Site is investment ready and while up to 30% of the site will be for amenity it is important to attract investment to the area. An economic analysis will be undertaken to establish how the site can be utilized to grow the area. The Chief Executive referred to staffing and clarified if funding is available staff will be kept on but if not they will be let go. The road grant notifications received the previous week will have implications for staff. She confirmed that a windows and doors replacement programme will be put in place. In relation to hedge cutting she wanted to provide additional resources and she hoped to increase enforcement. The Operations SPC will examine this area to establish how this can be improved. The Chief Executive confirmed that the turnaround time for vacant houses has improved substantially. Kerry County Council will not take a capital stake in the 2 Stream 1 projects but it is incumbent on the Council to support them. The RDI Hub will employ 300 people over 5 years while the Agri Tech will create 300 – 500 jobs.

Cllr. T. Ferris highlighted that these projects will not only benefit those in Kerry but also those outside the county.

The Chief Executive clarified that the Agri Tech Centre will be based at ITT and the greatest benefit will be in Kerry.

Cllr. J. Finucane emphasized that the Agri Tech Centre will be a national centre incorporating all companies involved in agriculture. The contribution from Kerry County Council is small in the context of the overall cost of the project.

The Chief Executive confirmed that these projects will have far reaching benefits and if the proposed 10% increase is agreed by members it will have a positive impact on the Budget. While the proposed increase sought is 10% it will be a very modest increase week on week and it will revert to the base figure for 2019.

Suspension of Standing Orders

The Cathaoirleach indicated it was 1.30pm and it would be necessary to suspend Standing Orders.

On the PROPOSAL of Cllr. J.J. Culloty, SECONDED by Cllr. M. Gleeson it was agreed to suspend Standing Orders to allow the meeting to continue.

17.09.25.01 Report of the Chief Executive on the setting of a Local Adjustment Factor for Local Property Tax for 2018 (Cont'd)

Cllr. T. Ferris requested clarification on rates on vacant properties.

Ms. A. McAllen stated as outlined by the Chief Executive in order to bridge the shortfall management would revert to members on this at the statutory Budget Meeting.

The Chief Executive advised there is an issue regarding rates on vacant properties in that if rates are levied they must apply across the entire MD and not just to one town. This area was examined and the indications are that the potential to raise income from this source would be limited.

Cllr. Ferris highlighted that the experience in other local authorities is different. If rates were levied on vacant properties a number of years ago the income would meet the €600,000 now required. There was a low take up on the Repair to Let Scheme and Louth County Council used the CPO process to acquire properties for housing.

Cllr. J. Healy-Rae stated he was opposed to the levying of rates on vacant properties. The owners of many of these properties are in nursing homes and he would be concerned if rates were levied on them they would be demolished.

A vote was then taken on Cllr. Gleeson's proposal which was seconded by Cllr. Finucane as follows:

"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 2018 by 10% and set a local adjustment factor of 10% 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. Connor-Scarteen, Finucane, Fitzgerald, Gleeson, Kennelly, Lucid, P. McCarthy, O'Brien, O'Connell, Purtill, Sheahan **(11)**

Against: Cllrs. Beasley, Cahill, Cronin, Culloty, Daly, Ferris, Flynn, Foley, Grady, J. Healy-Rae, M. Healy-Rae, McEllistrim, Quigg, Spring, Thornton **(15)**

Not Voting: Cllrs. Moriarty, O'Shea **(2)**

The Cathaoirleach declared the proposal DEFEATED.

A vote was then taken on Cllr. M. O'Shea's proposal which was seconded by Cllr. Moriarty as follows:

“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 2018 by 5% and set a local adjustment factor of 5% 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. Connor-Scarteen, Finucane, Fitzgerald, Flynn, Gleeson, Lucid, P. McCarthy, Moriarty, O’Brien, O’Connell, O’Shea, Purtill, Thornton, Sheahan **(14)**

Against: Cllrs. Beasley, Cahill, Cronin, Culloty, Daly, Ferris, Foley, Grady, J. Healy-Rae, M. Healy-Rae, McEllistrim, Quigg, Spring, **(13)**

Not Voting: Cllr. Kennelly **(1)**

The Cathaoirleach declared the proposal CARRIED.

17.09.25.02 Any other business

Cllr. T. Ferris referred to the internal policy whereby a housing applicant must be qualified for 6 months before they will be considered for long term lease and she asked, as this is not national policy, that it would be revised.

Mr. M. O’Donoghue undertook to review this matter.

The meeting concluded at 2pm.

Liam Quinlan
Meetings Administrator

Cathaoirleach of Kerry County Council