**Minutes of Special Meeting of Cavan County Council held on 28th September, 2017 in the Council Chamber at 2.30p.m.**

Councillor P. McDonald, Cathaoirleach Presiding

Present: Councillors M. Argue, W. Bennett, C. Brady, P. Brady, N. Connell,

F. Curtin, J.P. Feeley, P. O’Reilly, S. O’Reilly, S.P. O’Reilly, P. Smith, S. Smith, V. Smith.

In Attendance: T. Ryan, Chief Executive

E. Doyle, Director of Service

D. Maguire, Head of Finance

J. McLoughlin, Director of Service

P. Connaughton, A/Director of Service

E. McGinn, Meetings Administrator

Apologies were received from Councillors D. Brady, C. Kelly and P. McVitty.

Councillor P. McDonald thanked the members and the executive for giving him the opportunity to change the meeting from 11.00a.m to 2.30p.m in order to facilitate members and staff attending the funeral of Councillor D. Brady’s brother Aiden. A minutes silence was held in memory of the deceased.

Councillor P. McDonald informed the members that a decision had to be taken on the Local Property Tax by the 30th September.

Mr. Des Maguire, Head of Finance stated 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%, a decision to vary the basic rate of LPT must be taken by 30th September each year. Under the Local Property Tax Regulations members must have regard to the following:

* Estimation of income and expenditure for the period for which the varied rate is to have effect.
* Financial position of the Local Authority.
* Financial effect of the varied rate.
* Feedback from public consultation.

Mr. Maguire outlined in detail the estimate of revenue income and expenditure for 2017 and 2018 together with showing the financial position of the Council as at the 30th June, 2017. Mr. Maguire advised that the provisional local property tax allocation to Cavan County Council for 2018 is €9,480,501 which is the same as the 2017 allocation and means that the Council has received no increase in income from local property tax and pension related deduction income since 2014. Mr. Maguire noted that the estimate of expenditure and income for 2018 is prepared on the basis of maintaining current level of services across the Local Authority and commencing implementation of a number of strategies approved by the Council. Mr. Maguire stated that the impact of no increase in local adjustment factor in respect of local property tax for 2018 would mean that the Council would be forced to reduce expenditure in order to produce a balanced budget. He stated that the main budgetary areas to come under pressure if this should happen would be discretionary expenditure such as Councils contribution on local and regional roads maintenance, housing maintenance budget, library budget, waste management budget, arts budget and community and enterprise budget. Mr. Maguire noted that the impact of a 15% increase on local property tax rate would mean an annual increase of €13.50 per annum for 51.2% of property owners and an increase of €33.75 per annum for 38.2% of property owners and would result in additional income of €663,675 for the Council. This additional income together with an increase in the annual rate on valuation for 2018 would enable the Council to meet the challenges of achieving a balanced budget in 2018 and maintaining current level of services. It would also enable further support for the promotion of the economic and community development of the County and commencement of the implementation of a number of strategies that have been approved by the Council. Mr. Maguire recommended that the Council increase local adjustment factor in respect of local property tax for 2018 by 15%.

Councillor P. O’Reilly complimented Mr. Maguire on his report. Councillor O’Reilly stated that after careful consideration by the Fine Gael Party on the issue of Local Property Tax they had agreed to propose an increase. Councillor P. O’Reilly proposed that the Local Property Tax be increased by 15% on the condition that an extra €150,000 is given to the Municipal Districts i.e. €50,000 to each Municipal District. Councillor O’Reilly asked that this extra money given to the Municipal Districts be spent at the member’s discretion. This proposal was seconded by Councillor W. Bennett.

Councillor J.P. Feeley thanked Mr. Maguire and the Chief Executive for affording the members the opportunity to meet with them and their willingness to provide information to the members earlier in the week. He thanked Mr. Maguire for his comprehensive report. He stated that the Fianna Fail group have met in relation to the issue of Local Property Tax on a number of occasions stating that they made a commitment four years ago to seek and reduce the local property tax whenever possible. He noted that unfortunately it cannot be decreased presently and stated that the Fianna Fail will be supporting no change for the coming year. He stated that the while the letter outlines the worst case scenario for 2018 some of these issues may be resolved before the budget meeting.

Councillor N. Connell on behalf of Sinn Fein thanked Mr. Maguire for his detailed report and the executive for meeting with the members earlier in the week. Councillor O’Connell stated that 15% is far too much to ask the people of County Cavan to pay noting quite a number of people are already living in negative equity. Councillor O’Connell stated that the Sinn Fein Party will not be supporting an increase in Local Property Tax.

Mr. Tommy Ryan, Chief Executive informed the member that the recommended 15% increase is needed in order to balance the Council’s finance. Mr. Ryan stated that a long term plan is needed for Cavan County Council’s finances or it will be on the cliff edge by the end of next year. He noted that there will be no landfill income to the Council from 2019 and the NPPR will also have finished. Mr. Ryan noted that a number of strategies had been passed by the Council but these strategies cannot be implemented if the resources are not there. Mr. Ryan noted that if €150,000 extra is given to the Municipal Districts the Council will still have to find an extra €150,000 to balance the books. Mr. Ryan stated that at the end of the day it is a reserved function and up to the members to make the decision.

A vote by means of show of hands was taken on Councillor P. O’Reilly’s proposal, seconded by Councillor Bennett to increase the LPT by 15% and give €150,000 extra to the Muncipal Districts. The results were:

**For Against**

Cllr. M. Argue Cllr. J.P. Feeley

Cllr. C. Brady Cllr. S. O’Reilly

Cllr. W. Bennett Cllr. P. Brady

Cllr. P. Smith Cllr. F. Curtin

Cllr. P. O’Reilly Cllr. S.P. O’Reilly

Cllr. V. Smith Cllr. S. Smith Cllr. N. O’Connell

Cllr. P. McDonald.

As the number of members present who voted against the proposal exceeded those who voted for, the proposal of Councillor P. O’Reilly was not carried.

It was proposed by Councillor J.P. Feeley and seconded by Councillor S.P. O’Reilly not to vary the basic rate of Local Property Tax for 2018.

A vote by show of hands was then taken on this proposal not to vary the local property tax for 2018. The results were:

**For Against**

Cllr. J.P. Feeley Cllr. M. Argue

Cllr. S. O’Reilly Cllr. C. Brady

Cllr. P. Brady Cllr. W. Bennett

Cllr. F. Curtin Cllr. P. Smith

Cllr. S.P. O’Reilly Cllr. P. O’Reilly

Cllr. S. Smith Cllr. V. Smith

Cllr. N. O’Connell

Cllr. P. McDonald

As the number of members present who voted in favour of the proposal exceeded those who voted against, the proposal of Councillor J.P. Feeley was carried.