



**To:** Members of Dublin City Council  
**From:** Marsha I. Grigsby, City Manager *Signature*  
**Date:** April 4, 2013  
**Initiated By:** Angel L. Mumma, Deputy City Manager/Director of Finance  
**Re:** Financial Update – First Quarter 2013

## Summary

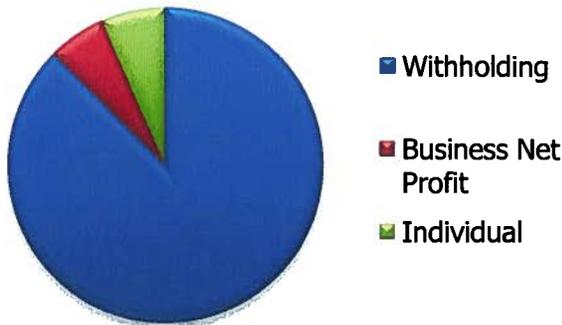
### General Fund Balance

The General Fund balance is a critical component to the financial stability of the City and continues to be a key financial indicator used by the rating agencies in evaluating the financial strength of the City. As Council is aware, the City’s practice has been to maintain a year-end balance equal to or greater than 50% of the General Fund expenditures, including operating transfers. We ended 2012 with a healthy General Fund balance of \$52,039,415, or 92.5% of the actual 2012 General Fund expenditures, excluding advances. That fund balance has remained stable through the first quarter of 2013, ending with a balance of \$53,970,500, or 90.8% of the 2013 planned General Fund expenditures, excluding advances.

### Income Tax Revenue

In the 2013 Operating Budget, we projected \$74,874,400 in revenue from the local income tax, with 75% or \$56,155,800 programmed in the General Fund, and 25% or \$18,718,600 programmed in the Capital Improvements Tax Fund. Maintaining our conservative approach to estimating revenue, this estimate was based on an assumption of 1.5% growth from our 2012 revised revenue estimate, determined when the 2013 Operating Budget was approved. However, our actual income tax revenue for 2012 exceeded the revised estimate by 2.2%. Compared to 2011 income tax revenue, our 2012 collections increased 5.3%.

Q1 2013 Income Tax Revenue



The first quarter of any given year is unpredictable in terms of income tax revenue and 2013 was no different, with declining revenues in both January and March and increasing revenues in February. Overall, the quarter closed with revenues increasing 2.2% over the first quarter 2012. The largest source of our income tax revenue, withholding taxes derived from those individuals working in Dublin, increased 2.3%. Business net profits declined 14.4% while individual returns increased 21.5%.

The graph below depicts the City's first quarter income tax revenue each year from 2008 through 2013.



	2008	2009	2010	2011	2012	2013
■ Withholding	\$14,722,406	\$14,394,134	\$14,671,379	\$15,353,571	\$15,876,071	\$16,249,070
■ Net Profit	\$950,721	\$719,812	\$988,215	\$1,361,460	\$1,306,280	\$1,117,934
■ Individual	\$937,737	\$981,008	\$898,519	\$1,066,001	\$1,005,495	\$1,222,032

### **Hotel/Motel Tax Revenue**

The 2012 Hotel/Motel Tax Revenue exceeded 2011 collections by 9.93%, with each quarter showing growth over the previous year. Based on first quarter 2013 revenue, the growth has slowed with revenue increasing 1.85% over first quarter 2012. However, the growth continues to put us much closer to the level of revenue received prior to the economic downturn. The monthly collections are as follows:

	2008	2009	2010	2011	2012	2013
<b>January</b>	\$99,713	\$89,774	\$75,841	\$87,445	\$99,516	\$104,789
<b>February</b>	\$113,067	\$99,491	\$97,795	\$95,191	\$107,517	\$110,988
<b>March</b>	\$131,572	\$106,316	\$99,895	\$112,501	\$125,855	\$123,282
<b>Q 1 Total</b>	<b>\$344,352</b>	<b>\$295,581</b>	<b>\$273,531</b>	<b>\$295,137</b>	<b>\$332,888</b>	<b>\$339,059</b>

### **Property Taxes and Service Payments**

Property tax revenues increased nearly 4.1% or \$68,653 over the first quarter 2012, with collections totaling \$1,752,936. Given that there was little change in the assessed valuation of properties within Dublin for tax year 2012 (collected in 2013) this increase may be attributable to either payment of delinquent taxes and/or payment of the entire year's tax bill, as opposed to semi-annual payments that are due in January and July.

Conversely, revenues generated from service payments, or payments in lieu of taxes, on properties within the Tax Increment Financing (TIF) areas decreased 9.9% over 2012. This was not unexpected as there was a 2.1% overall reduction in the total valuation of properties within our

TIF areas for the year. This decrease is largely attributable to an \$11.1 million reduction in value of the Nationwide building within the Rings/Frantz TIF. Notable increases in valuation occurred within the Bridge and High Street TIF, as well as the Delta Energy TIF, which reflected the full valuation of the Delta Energy building.

*Other Information*

The General Fund expenditures for the quarter were \$13,514,030, which represented a 14.5% reduction over 2012. This reduction is attributable to the fact that in 2012 the City had significant capital outlay associated with the purchase of the Eiterman Road property from the Ohio State University. Excluding capital, General Fund expenditures decreased 3.8% over 2012.

Overall, General Fund expenditures were less than General Fund revenue for the quarter by \$1,930,995, which resulted in an increase in the fund balance.

Attached for your review are two spreadsheets which provide comparison detail on the revenue sources discussed above.

**Recommendation**

For informational purposes only.

Attachments

**City of Dublin  
Financial Update-First Quarter 2013**

**Income Tax Revenues**

**Quarterly Recap:**

	<u>2013 Collections</u>	<u>% Change from 2012</u>	<u>2012 Collections</u>	<u>% Change from 2011</u>	<u>2011 Collections</u>	<u>% Change from 2010</u>	<u>2010 Collections</u>
1st quarter	\$18,589,036	2.21%	\$18,187,846	2.29%	\$17,781,032	7.39%	\$16,558,113
2nd quarter	-		21,958,118	11.66%	19,665,815	1.71%	19,335,909
3rd quarter	-		17,711,685	2.07%	17,351,962	3.50%	16,765,686
4th quarter	-		17,572,864	4.47%	16,820,448	3.90%	16,188,818
	<u>\$18,589,036</u>		<u>\$75,430,513</u>	5.32%	<u>\$71,619,257</u>	4.02%	<u>\$68,848,526</u>

**Monthly Recap:**

	<u>2013 Budget</u>	<u>2013 Collections</u>	<u>% Change from 2012</u>	<u>2012 Collections</u>	<u>% Change from 2011</u>	<u>2011 Collections</u>	<u>% Change from 2010</u>	<u>2010 Collections</u>
January	\$6,662,091	\$6,388,650	-4.81%	\$6,711,575	-2.72%	\$6,899,167	19.42%	\$5,777,320
February	\$4,714,254	5,709,438	20.22%	4,749,270	6.06%	4,477,952	-2.54%	4,594,456
March	\$6,677,403	6,490,948	-3.51%	6,727,001	5.05%	6,403,913	3.52%	6,186,337
1st quarter	<u>\$18,053,747</u>	<u>\$18,589,036</u>	2.21%	<u>\$18,187,846</u>	2.29%	<u>\$17,781,032</u>	7.39%	<u>\$16,558,113</u>
Year-to-date	<u>\$18,053,747</u>	<u>\$18,589,036</u>	2.21%	<u>\$18,187,846</u>	2.29%	<u>\$17,781,032</u>	7.39%	<u>\$16,558,113</u>

2013 YTD Collections  
Compared to Budget

\$535,289

2013 YTD Collections  
Compared to 2012

\$401,190

**2013 YTD Recap by Type:**

	<u>2013 Collections</u>	<u>% Change from 2012</u>	<u>2012 Collections</u>	<u>% Change from 2011</u>	<u>2011 Collections</u>	<u>% Change from 2010</u>	<u>2010 Collections</u>
Withholding accounts	\$ 16,249,070	2.35%	\$ 15,876,071	3.40%	\$15,353,571	4.65%	\$14,671,379
Net-profit accounts	1,117,934	-14.42%	1,306,280	-4.05%	1,361,460	37.77%	988,215
Individual accounts	1,222,032	21.54%	1,005,495	-5.68%	1,066,001	18.64%	898,519
	<u>\$18,589,036</u>	2.21%	<u>\$18,187,846</u>	2.29%	<u>\$17,781,032</u>	7.39%	<u>\$16,558,113</u>

**City of Dublin  
Financial Update-First Quarter 2013**

**General Fund Balance**

December 2010	\$ 39,926,471
December 2011	\$ 45,001,134
December 2012	\$ 52,039,415
January 2013	\$ 52,432,944
February 2013	53,099,195
March 2013	53,970,500

**Hotel/Motel Tax Revenues**

**Quarterly Recap:**

	2013 Collections	% Change from 2012	2012 Collections	% Change from 2011	2011 Collections	% Change from 2010	2010 Collections
1st quarter	\$ 339,059	1.85%	\$ 332,888	12.79%	\$ 295,137	7.90%	\$ 273,531
2nd quarter	-		493,269	9.98%	448,511	14.64%	391,247
3rd quarter	-		563,356	10.71%	508,875	9.85%	463,231
4th quarter	-		459,700	6.99%	429,665	6.48%	403,531
	<u>\$ 339,059</u>		<u>\$ 1,849,213</u>	9.93%	<u>\$ 1,682,188</u>	9.84%	<u>\$ 1,531,540</u>

**Monthly Recap:**

	2013 Collections	% Change from 2012	2012 Collections	% Change from 2011	2011 Collections	% Change from 2010	2010 Collections
January	\$ 104,789	5.30%	\$ 99,516	13.80%	\$ 87,445	15.30%	\$ 75,841
February	110,988	3.23%	107,517	12.95%	95,191	-2.66%	97,795
March	123,282	-2.04%	125,855	11.87%	112,501	12.62%	99,895
1st quarter	<u>\$ 339,059</u>	1.85%	<u>\$ 332,888</u>	12.79%	<u>\$ 295,137</u>	7.90%	<u>\$ 273,531</u>
Year-to-date	<u>\$ 339,059</u>	1.85%	<u>\$ 332,888</u>	12.79%	<u>\$ 295,137</u>	7.90%	<u>\$ 273,531</u>

2013 YTD Collections  
Compared to 2012  
\$ 6,171

**Property Tax Revenues**

	Capital Imp. Fund	Parkland Fund	Safety Fund	Total	% Change from Prior Yr.
1st half distribution 2010	\$ 1,278,053	\$ 319,513	\$ 202,955	\$ 1,800,521	2.10%
1st half distribution 2011	1,270,276	317,569	203,001	1,790,846	-0.54%
1st half distribution 2012	1,162,891	313,478	207,914	1,684,283	-5.95%
1st half distribution 2013	1,237,863	309,466	205,608	1,752,936	4.08%

**Service Payments-TIF Districts**

	Total	% Change from Prior Yr.
1st half distribution 2010	\$ 3,994,099	32.29%
1st half distribution 2011	3,731,966	-6.56%
1st half distribution 2012	4,349,539	16.55%
1st half distribution 2013	3,919,533	-9.89%