

**DUBLIN CITY COUNCIL**  
**FINANCE COMMITTEE MEETING OF THE WHOLE**  
**Monday, April 8, 2013**  
**Council Chambers**

Minutes of Meeting

Ms. Chinnici-Zuercher, Chair, called the meeting to order at 5:30 p.m.

Finance Committee members present: Ms. Chinnici-Zuercher, Mr. Gerber, and Mr. Keenan.  
Other Council members present were Mayor Lecklider, Vice Mayor Salay, Mrs. Boring, and Mr. Reiner.

Staff present: Ms. Grigsby, Ms. Mumma, Mr. Thurman, Ms. Gibson, Ms. Puskarcik, Ms. Crandall.

- **Finance Committee Minutes**

Ms. Chinnici-Zuercher moved to approve the minutes of the October 8, 2012 Finance Committee meeting.

Mr. Gerber seconded the motion.

Vote on the motion: Ms. Chinnici-Zuercher, yes; Mr. Gerber, yes; Mr. Keenan, yes.

Ms. Chinnici-Zuercher moved to approve the minutes of the November 26, 2012 Finance Committee meeting.

Mr. Gerber seconded the motion.

Vote on the motion: Ms. Chinnici-Zuercher, yes; Mr. Gerber, yes; Mr. Keenan, abstain.

- **Dublin Arts Council Hotel/Motel Tax Grant Application – Community Research Project**

David Guion, Dublin Arts Council, Executive Director, stated that they are seeking a \$16,000 hotel-motel tax grant for the Community Research Project. He explained that Dublin Arts Council (DAC) and a multitude of stakeholders must answer critical questions to move Dublin forward as a place where creative place-making is at the core of what Dublin does and how it displays its unique attributes to the world. In this initiative, DAC will embark on critical research that will pose fundamental questions that will set the City apart as an exemplary place to live, work and visit. This research must be compiled to allow DAC to be competitive in applying for matching federal funding with a return on investment from \$25,000 to \$200,000. They will be asking critical questions directly of primary stakeholders that in some instances have not been asked before, questions such as: what is Dublin; what do you feel emotionally when you describe Dublin to someone; who are the people and places that make it special; what sets it apart from other communities; and how do we tell the story of our distinct community through our public art and overall art offerings? Cutting edge research is underway at the national level through the National Endowment for the Arts. It is called "creative place-making," which is creating an understanding of lively, beautiful and sustainable places with arts at the core. The resulting data will be used to strategically inform themes for future public artwork realized by collaborative, creative place-making. Survey data will position Dublin Arts Council to apply for grants that support cultural district development and arts partnerships beyond the current scope and capacities of the DAC organization. The ultimate goal is the reflection of Dublin's sense of place and all that contributes to the fiber of the Dublin community. Through a modest investment by the City, this research could make DAC enormously competitive in garnering national funding and international recognition.

Ms. Chinnici-Zuercher stated that she met with Mr. Guion prior to this evening to discuss this application. He indicated to her that, in order to be competitive with the National Endowment for the Arts (NEA), it is important to have a foundation that is derived from some level of research. That provides an opportunity for a great return on the investment – up to approximately \$200,000. At a minimum, it would make Dublin more competitive when it applies for the funds. In the past, Mr. Guion has been successful with obtaining some NEA grant monies.

Mrs. Boring stated that the City's Community Relations division conducts a community survey, and she understands that he will be working with them. How will the survey be developed -- will he preview the questions that will be asked?

Janet Cooper, Dublin Arts Council, Marketing and Public Relations Manager, stated that they will work collaboratively with City staff to ensure that they do not duplicate efforts. The primary research will be conducted through personal interviews with community leaders, stakeholders and focus groups. They will develop the survey questions, looking at best practices of other communities who have done sense of place and creative place-making. They will be working with a reputable firm experienced in facilitating focus groups. The goal is to achieve empirical data that will be valid for the NEA process.

Mrs. Boring inquired if they anticipate being able to use some of the data from the City's community survey.

Ms. Cooper responded affirmatively. They have also spoken with Mr. Dring of the Dublin Convention and Visitors Bureau (DCVB), and data from their Branding Campaign will be made available to them.

Mr. Reiner noted that he believes this survey is a good idea. He supports this grant application.

Mr. Gerber stated he was present at the previous meeting when this was discussed. He asked why an Oregon-based research firm will be utilized versus an Ohio company.

Mr. Guion responded that Ms. Cooper has some colleagues at this research firm, and she has secured a significant discount in the costs. They also desired to have a neutral company without association with Dublin or with Ohio to give a fresh perspective.

Mr. Gerber stated that he is satisfied with the grant application as outlined tonight.

Mr. Gerber moved to recommend approval of funding the grant application to Council.

Mr. Reiner seconded the motion.

Mrs. Boring stated that Mr. Guion indicated previously to the Finance Committee that DAC would be contributing \$13,000 in funds to this project. Is that their intent?

Mr. Guion responded affirmatively.

Vote on the motion: Ms. Chinnici-Zuercher, yes; Mr. Reiner, yes; Mr. Keenan, yes; Mr. Gerber, yes; Mrs. Boring, yes; Vice Mayor Salay, yes; Mayor Lecklider, yes.

- **First Quarter 2013 - Financial Update**

Ms. Mumma, Deputy City Manager/Director of Finance & Administration, presented the report. Included in the Committee packet was a summary of the 1<sup>st</sup> quarter revenue and expenditures. She reported the following:

General Fund Revenue

In the first quarter, \$15.4 million was brought in, an increase of 1.6% over 2012. Income tax revenues were up 2.2% over the same period of time last year. Withholdings were up 2.4%. Net profits were down 14.4%, and individual returns were up 1.2%. The top 10 employers for the quarter were down 2%; the top 50 employers were down .5%; the top 100 employers were up .1%; the top 250 employers were up .9%; and the top 500 employers were up 1.64%. The overall message is that the City is not dependent upon the top 10 or 50 employers. Typically, with the second quarter financial report, the income tax revenues are utilized, and that is the number used with the CIP program and operating budget.

Other revenues

There was a reduction in the Local Government funding, which was anticipated. Licenses and Permits were up 16.5%. This was driven by increases in revenues from both commercial and residential inspections, as well as commercial and residential plan reviews. More construction is occurring within the community, and that is translating into additional Licenses/Permits revenue for the City.

General Fund Expenditures

Expenditures for the first quarter were \$13.5 million, a decrease of 14% over 2012. In the first quarter of 2012, there was a significant capital outlay for the purchase of the Eiterman Road property from Ohio State. Excluding that expenditure, the City's expenditures were down 3.8% over 2012. The most notable increase in Expenditures comes from Income Tax Refunds, which are up 7% over the first quarter 2012.

In summary, the level of General Fund Revenues against the General Fund Expenditures resulted in an overall increase in our General Fund balance, which took it to \$53.9 million. That amount represents 90.8% of the City's anticipated 2013 General Fund Expenditures; the target reserve is 50%. However, significant expenditures are anticipated within the Bridge Street area and having a fund balance of that size will enable those projects to occur.

Hotel/Motel Tax Fund

Revenue has increased 1.8% over the same period of time last year. Fifty percent of the City's hotels experienced an increase in revenue, and fifty percent experienced a decrease. That will continue to be watched, as it has an impact on other organizations in Dublin, due to grants and shared revenue.

Property Tax Revenues and Service Payments

A significant decrease in service payments was experienced over the same period of time last year -- 9.9% in total valuation. That was driven by the revaluation of the Nationwide Building, which decreased 11.1% in value. However, there was growth in other areas -- new buildings, and the full value of the Delta Energy building. Excluding the Nationwide Building reduction in value, the City held even with its values last year. A Tax Incentive Review Council meeting is

scheduled for May 21. TIF revenue as well as delinquencies will be reviewed, and a report will be forwarded to Council.

Ms. Chinnici-Zuercher asked if the Income Tax Refunds increase is due to the economic development tax incentives.

Ms. Mumma responded that the refunds the City issues have no relation to the economic development incentives that are issued. Those checks were just generated. A report will be included in the next Council packet providing information on the returns received, based on the payments received and the incentive payments the City is making. Before the incentive checks are issued, the City verifies that all reconciliations have been taken into account.

Ms. Gibson stated that they have stepped up their electronic filing, and City income tax refunds are essentially current. There is a significant refund that will be made in April.

Ms. Chinnici-Zuercher stated that Ms. Mumma indicated that the Nationwide Building had an 11.1% decrease in value; however, on page three of staff's memo, it is stated that the Nationwide Building had an \$11.1 million reduction in value. Which statement is correct?

Ms. Mumma responded that the building itself had an \$11.1 million reduction in value.

Ms. Chinnici-Zuercher asked why that has occurred.

Ms. Mumma responded that the building owner filed a request with the Board of Revision for a reduction in property value.

Ms. Chinnici-Zuercher stated that this amount seems to be much more than the ten percent reduction that typically can be received.

Ms. Mumma responded that often those requests are based upon what the owner paid for the building. She does not know the specific reason this reduction was made, but can try to obtain that information.

Mr. Keenan asked if the building is vacant or soon would be vacant due to Nationwide's departure.

Ms. Grigsby responded that there could be some additional space available in the coming months, but the jobs that were moved back to downtown Columbus were from the Parkcenter building -- that building is empty. A couple of years ago, staff discussed concerns related to the lag in property tax revaluations. Although the impact on residential properties has been minimal, there was a significant reduction in the value of the Wendy's building last year and the Nationwide building this year. Hopefully, the Tax Board has completed most of these reviews, however, and there will not be such significant reductions going forward.

Ms. Chinnici-Zuercher requested additional information on the Nationwide building property value reductions. It is certainly ironic that the Wendy's building value was reduced, when, presumably, all the recent investment and renovations in their property would have increased the property value.

Ms. Grigsby responded that it is likely the valuation on that property will be increased again in the future. However, in the real estate market, commercial properties were over-valued several years ago, and therefore there has been a lot of opportunity for adjustment.

Mr. Keenan asked if the amount of revenue the City receives is relatively minimal in view of percentage of its total income from these real estate valuations.

Ms. Mumma responded that service payments are one of the City's largest revenue sources.

Mr. Keenan clarified that he is referring to real estate taxes.

Ms. Mumma responded that payments in lieu of taxes are basically property taxes generated within the City's TIF areas. It is calculated at the same rate.

Mr. Keenan stated that Dublin, then, is gathering the tax revenue from the Township, joint vocational school, Columbus Zoo, etc., correct?

Mr. Mumma stated that, although it may not be Dublin's largest source of revenue, it funds a number of CIP projects. The City relies on tax increment financing (TIF) funds either to pay current expenses or to reimburse the General Fund or the Capital Improvement Tax Fund for advances that have been made.

Mr. Gerber inquired what is the City's practice with respect to challenging revaluations when the property owner has filed a petition with the Board of Revision. He is aware that the School District challenges those. Does the City assume a neutral position or become involved?

Ms. Grigsby responded that the City has not contested values that have been assigned, either the original value or an appeal that is made by the property owner. It is the Board of Revision's role to determine those values, and the City has accepted their decision in those cases. It has not been an issue until the last couple of years.

Mr. Keenan stated that the tax revenue from within a TIF District is significantly different from tax revenue from outside a TIF District. The City receives only get ½% of a mill or a very small number of the 60-70 mills collected.

Ms. Grigsby responded that the City receives about 3% of the property tax.

Mr. Keenan noted the issue is that a TIF district is significantly different because of the way in which collection occurs.

Mayor Lecklider stated that the School District typically challenges the property owner's efforts to seek a reduced value and, in a large percent of those cases, the District's efforts result in a higher valuation. Doesn't the City also have standing in those proceedings?

Ms. Grigsby responded that the City can always challenge the decisions by presenting information. The School District's challenge occurs when there is a sale of property. If a property sells for significantly more than it was originally valued, the District tries to recover some of the increase in value for that previous year.

Mr. Keenan noted that if the City should choose to challenge revaluations, it would be advisable to separate the TIF areas from the others. The City would not want to challenge a residential valuation.

Ms. Chinnici-Zuercher stated that as Ms. Grigsby has indicated this is the first time the City has faced this issue, the City may not want to change its policy because of it. However, Council would want staff to bring to Council's attention any future need for discussion regarding a challenge to a valuation.

Mr. Keenan noted that it is his understanding that the party presenting the challenge on behalf of the School District receives a percent of the increase, if achieved.

Ms. Chinnici-Zuercher summarized that the City's financial health is excellent as of the end of the first quarter, and therefore the outlook is cautiously optimistic for the future. This report reveals that the companies that fall below the Top 50 employers are the City's financial foundation, and it is clearly important to recruit, retain and expand those groups.

Mr. Keenan stated that this is a positive report. Staff continues to consistently underestimate revenue and overestimate its expense, which is prudent.

Ms. Chinnici-Zuercher stated that this enables the City to undertake special projects when opportunities arise.

Ms. Grigsby responded that is the advantage of maintaining a healthy fund balance.

- **Update on HB5**

Ms. Gibson, Director of Taxation, stated that there is little to report at this time, because the Legislature is currently busy working on the State budget. The House Ways and Means (HWM) Committee will not consider another hearing until the end of the month. Staff has been told that the Committee will have one hearing, and then postpone any additional hearings until fall. In the meantime, the group Ms. Gibson works with is continuing to work on a strict, uniform bill, only dealing with the Ohio Revised Code as it is now and bringing that part into uniformity. The Chamber and the Ohio Society can then meet, discuss and draft another bill to address additional issues. The Senate is not eager to take on this bill again, especially with the controversy that has resulted, such as occurred with Senate Bill 5. The Chair of the HWM Committee, Representative Peter Beck, is a CPA and understands the law. He has specifically stated that he would be more willing to look at only uniformity. Hopefully, such a bill will be brought forward this year.

- **Sequestration Impact**

Ms. Mumma stated the sequestration went into effect earlier in March, and Dublin is not immune from the impacts of that. Dublin issued Build America bonds in 2009 but has the opportunity to refund these bonds, if it makes financial sense. Based on market conditions, it seems that is the case. The potential threat that the amount of Dublin's subsidy will be reduced could continue. It is not a substantial amount -- for the first half, Dublin anticipates receiving approximately \$8,800 less than was originally anticipated. Their threat not to give Dublin the full amount does provide the City with the opportunity and responsibility to identify a better way to finance these projects. Because Dublin anticipates going to the bond market possibly this fall for a number of projects, such as the Emerald Phase 8 project, staff will look at the opportunity and rates to determine whether or not it makes sense to include this within that bond package.

Mr. Keenan stated that the anticipated overall impact of 8.7% will actually be much less than originally estimated.

Ms. Mumma stated that the amount issued was actually lower than that, but their fiscal year is different. They actually had to "bump up" the reduction to make up for the payments that had been made from July 1 of last year to today. Dublin's amount is actually higher than what was originally estimated – 7.5%.

Mr. Keenan asked if staff anticipates it being lower in the next 12 months.

Ms. Mumma responded that it is difficult to predict what will occur.

- **Opportunities for the Presidents Cup 2013 and Ceremonial Gifts, Community Pride and Education Programs**

Ms. Puskarcik stated that memos regarding these topics were provided to Council a couple of weeks ago and provided again in this packet. She recently received an email with feedback from Ms. Chinnici-Zuercher.

Ms. Chinnici-Zuercher asked about the anticipated economic impact of the Presidents Cup. Ms. Puskarcik responded that a specific number has not yet been identified for Dublin. The Dublin Convention and Visitors Bureau uses a formula with different variations to estimate an amount. It is possible to look at that with the different multipliers and estimate it.

Ms. Chinnici-Zuercher stated that amount could have a relationship to the amount of the City's investment.

Ms. Grigsby stated that a previous estimate provided for the entire region was a \$50 million impact, but there is no Dublin-specific breakdown.

Ms. Puskarcik stated that a regional economic impact for the Presidents Cup is \$50 million, while for the Memorial Tournament, it is \$36.5 million.

Ms. Chinnici-Zuercher asked how much the City has already spent, or committed to invest in the Presidents Cup, aside from the opportunities listed in staff's memo.

Ms. Puskarcik stated that those include: sponsorship in the amount of \$250,000; City services in the amount of approximately \$100,000, which can include Police, traffic, signage and marketing support.

Mr. Reiner asked for clarification about the marketing support being provided by the City.

Ms. Puskarcik responded that the City's support would be by mention of the event in City public information.

Ms. Chinnici-Zuercher asked about ceremonial expectations for the event.

Ms. Puskarcik responded that Mayor Lecklider serves on the Leadership Committee, she serves on the Steering Committee, and they have asked that question frequently yet have not received a response. Until the special guests who attend are known, they likely won't know. Mr. Sullivan has indicated that the goal is to exceed the levels of what took place in Australia, and there are major plans in place. The Wednesday night opening ceremonies are expected to rival those in Australia. There will be a ceremonial event every day -- those are in downtown Columbus. Thursday is identified as Dublin's day. The closing ceremonies will take place on the golf course at the Muirfield Village Golf Club.

Mayor Lecklider stated that Mr. Sullivan, Mr. Dring and Lt. Farmer attended the Australia event and should be able to share information regarding the level of ceremonial activities that occurred at that event. In regard to the opening ceremony, they have been told that there will be a concert at the Columbus Commons and preceding that will be an event at the Ohio Theater.

Ms. Puskarcik responded that the VIP experience will be held at the Ohio Theater, followed by the general public experience. The formal portion will be followed by a celebratory portion.

Ms. Chinnici-Zuercher stated that her general concern is with the total cost of the package. Will a specific amount be identified for Dublin's participation, with all the costs from now through October as part of that amount? There will be many opportunities, and she assumes Dublin will be asked to participate at some level in a variety of them.

Ms. Puskarcik responded that there will not be additional costs for Dublin for the events occurring in downtown Columbus. The City's sponsorship will provide us some items, but additional things would have added costs.

Ms. Grigsby pointed out that the information provided in the memo was based upon the work done over the last three to six months, working with the Steering Committee and staff. This version has changed the last couple of months, based upon new information.

Ms. Puskarcik stated that staff does not want to return to Council at a later date with a different opportunity and request funds. Staff is providing these ideas now, and Council's feedback will be helpful. When staff is finalizing the plans, they can come back to Council to request the funds for the projects, which will be based upon Council's direction.

Mrs. Boring asked what is the amount of Dublin's sponsorship.

Ms. Chinnici-Zuercher stated that Dublin's sponsorship is \$250,000; Franklin County's is \$200,000; and the Township's is \$150,000.

Mr. Keenan stated that he is interested in being involved in events within Dublin. Although Dublin will accrue some benefit from the sponsorship amount covering events in downtown Columbus, he does not believe an inordinate amount of additional monies should be invested in activities downtown. There will be many opportunities for Dublin, and Council should focus on Dublin opportunities.

Ms. Puskarcik responded that all the opportunities suggested in the memo are located in Dublin.

Ms. Chinnici-Zuercher asked Council members to provide their individual input on the opportunities outlined in the memo.

Mrs. Boring:

- Likes the City key idea.
- Does not like the "Golf Balls on Building" art idea. The project cost is too great for a temporary benefit.
- Has concerns about the "My Dublin" idea. There is risk with having individuals identify certain places as their favorite places in Dublin and leaving out others. She would prefer a nice brochure that portrays what "our Dublin" is.

Mayor Lecklider:

- American flags idea is great, and the more flags the better. This is an international competition, and Dublin should stand out. This is an issue of pride.
- Other banners used should be tasteful, not detract from the visual appearance of the City, and be true to Dublin's character.
- For the street festival, Dublin should host a party or celebration for the community and visitors on the day we expect "the world" to visit Dublin. We want to make a strong impression.
- Regarding public art, he is uncomfortable with the Orange Barrel concept. The associated costs for it -- a one-time event -- are a concern. Removing this one big-ticket item would reduce the City's costs significantly.

Mr. Reiner:

- Regarding American flags, he would like to see identification made for Dublin as the core site of the event. He would like that marketing effort to be very strong.

- Regarding the piano opportunity, he supports the concept. The cost does not seem exorbitant, and having music on the street all summer is a good idea, something, perhaps, Dublin should have every summer. His question is whether it should be part of this event's focus. He had understood it would be part of upgrading the City's environment, an addition to the City's ambience during the summer evenings.
- Regarding public art, although he appreciates Orange Barrel's graphics and work, he believes \$60,000 - \$90,000 is too much to spend for this purpose.
- For the motorcade, he endorses this project, which is inexpensive and should be fun.
- In terms of a street festival, he likes this idea, but perhaps to a lesser scale than proposed. He is not certain that \$30,000 of entertainment is necessary.
- He does not endorse the proposed Legacy projects. He has been involved with several similar projects in the past. In his experience, when the event is over, the desire for the item goes away. Few people actually keep these books or videos. Spending this money may not be justified.
- The City key is a nice idea.

Mr. Keenan:

- Likes the flags.
- Likes the street party, closing off High Street for the festival.
- Likes the City keys, but believes that something more significant should be provided to high-level dignitaries, perhaps a crystal piece with a Dublin emblem. Perhaps this could be funded through hotel-motel tax revenue.

Ms. Mumma stated that if the expenditure would be associated with the event or increasing hotel-motel nights, it could be purchased with those funds.

Mr. Keenan stated that much of this could do so, and he encourages use of those funds as much as possible.

Mr. Gerber agreed with the thoughts of others shared here, but has additional suggestions:

- Involve the HDBA. Identify some collaborative things they could do to enhance the event.
- Beyond City residents, market the event to business executives and other sources of avid golfers outside the community.

Vice Mayor Salay stated that she concurs with the views shared by fellow Council members tonight and has nothing new to add.

Ms. Chinnici-Zuercher summarized that the opportunity most Council members did not favor was the Orange Barrel golf ball art, believing it not to be a good use of public dollars. Her specific input was provided earlier via email and included in the meeting materials. Whatever projects are selected for this event, any intended perpetuation of the projects should be clarified with the organizations involved and included in their budgets. Requests for continued financing of the projects should not come back to the City in the future. If the organization will be taking on the project, its continuance would need to be included in that organization's future operating budget.

- **Review of Council Member Compensation Survey**

Ms. Chinnici-Zuercher requested that the Clerk retain this information and include the item on the agenda of the next quarterly Finance Committee. She had asked for the salary comparison as Mr. Gerber requested this information a few years ago. Council has not yet discussed the topic and this seemed an appropriate venue/time to do so. However, in the interest of time tonight, it can be deferred to the next quarterly meeting. That will still permit the opportunity to include any changes, if desired, in next year's Operating Budget.

The Finance Committee was adjourned at 6:30 p.m.

---

Acting Clerk of Council