

**DUBLIN CITY COUNCIL
FINANCE COMMITTEE MEETING OF THE WHOLE
Monday, August 12, 2013
Council Chambers**

Minutes of Meeting

Ms. Chinnici-Zuercher, Chair, called the meeting to order at 6:00 p.m.

Finance Committee members present: Ms. Chinnici-Zuercher, Mr. Gerber, and Mr. Keenan.
Other Council members who arrived later: Mayor Lecklider and Vice Mayor Salay.
Staff present: Ms. Grigsby and Ms. Mumma.

- **Finance Committee Minutes**

Ms. Chinnici-Zuercher moved to approve the minutes of the April 8, 2013 Finance Committee meeting.

Mr. Gerber seconded the motion.

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

- **Second Quarter 2013 - Financial Update**

Ms. Mumma, Deputy City Manager/Director of Finance & Administration reported the following:

General Fund Revenue

Overall, the General Fund revenue was up \$1.25 million or 3.6% over the same period of time last year.

Income Tax Revenue

Through June 2013, the income tax revenues were up 7.4% over the same period of time last year. Of some concern is the fact that withholdings through June were slightly down, about .3%. For the quarter, the withholdings for the top 10 employers were down 6%. The decline seems less with the top 50, 100 and 500 employers. This decline is somewhat expected, due to the recent relocation of Nationwide and Verizon. The removal of Nationwide employees will continue through the first part of 2014 and the removal of Verizon employees through the end of 2014; therefore, revised estimates for the remainder of 2013 and for 2014 projections will remain cautious. However, July withholdings do reflect a positive balance, up .8% cumulatively through July.

Mr. Gerber inquired if there are more employees in 2013 versus 2012?

Ms. Mumma responded that she could obtain that information from W2s and provide to Council via email.

Ms. Mumma noted that the large increase is attributable to the net profits from Dublin businesses. After the 2009 decline, many employers were carrying forward net profits from year to year. Some of those have run their course and have nothing additional to carry forward. Employers are now beginning to make estimated payments. Based on these numbers, the 2013 income tax revenue estimates have been revised to reflect a 3% increase over the original projection. However, the CIP budget discussions will reflect an even projection for 2014. On a positive note, there are two economic development incentive agreements on Council's regular meeting agenda tonight, and Chase having a presence in Dublin will bring in additional revenue.

Other Revenues

There has been significant growth in Licenses, Signs and Permits and Building Inspection activity, reflecting an increase of over \$200,000 in revenue. As anticipated, the Local Government Fund declined, and there was a decrease in Estate Tax payments. The Miscellaneous Fund has also decreased from last year; however, last year, the City had purchased the Ohio State property and re-sold it to Nestle.

General Fund Expenditures

Expenditures for the second quarter reflect a 1.36% decline, excluding advances to other funds, over 2012. Including those advances, City expenditures were up 9.2%, but those are attributable to advances to the Bridge Street Project for right-of-way acquisition at Bridge Pointe for the future S.R. 161 roundabout.

The overall impact of the increase in Revenue and the decline in Expenditures resulted in an increase of \$53.5 million in the General Fund balance at the end of the second quarter, which is approximately 90% of anticipated General Fund expenditures for the year. Having this healthy balance entering into the 2014-2018 CIP discussion is important, as there are a significant number of CIP expenditures for which there will be contemplations of either debt issuance or cash funding.

Hotel/Motel Tax Fund

This revenue has increased 4.4% over the same period of time last year. These revenues appear to have fully rebounded after the economy downturn in 2008.

Council Discussion

Ms. Chinnici-Zuercher noted that the graph on page two seems to indicate that Withholdings have reflected only a \$3.6 million difference during the past four years, which is not very significant. Previously, Council has requested the information that Mr. Gerber again requested this evening – the number of employees in the community -- so that Council can see a pattern. The numbers themselves do not have much significance; it is the level of employment, in terms of salary, that makes the difference. She assumes that Ms. Gibson would have the ability to run such a report.

Ms. Grigsby responded that is the W2 information that Ms. Mumma indicated she would compile. Each year, typically in July or August, the City reconciles all the W2s that need to be filed by the end of February. Staff can provide that information, but those are gross numbers – actual number of W2s filed. They do include turnovers and part-time jobs. Those numbers could be used for comparison to the actual withholdings. However, high-paying versus low-paying jobs can skew that information.

Ms. Chinnici-Zuercher stated that Columbus 2020 made a decision to rank in order the kind of jobs that they were going to pursue. That kind of information would be helpful to Council to understand the focus of economic development, and why, for instance, they might be seeking health-related businesses. In Dublin's case, that might be expected due to the presence of Dublin Methodist and the Ohio University program.

Ms. Grigsby responded that the City does have information on every company that files that reflects the type of industry. That information was provided to Battelle for the cluster study they

conducted, and was useful in determining the City's areas of focus, particularly medical and higher-end office. In addition to that, the number of W2s from companies on the basis of having 1 – 50 employees, 51 – 100, etc. is reviewed.

Ms. Chinnici-Zuercher stated that the City has seen how great a negative impact the departure of two large companies can have. There can be a length of time when those buildings remain empty. The question is how to strategically work within the Economic Development area to bring in the desired revenue.

Ms. Grigsby responded that in the last few years, the City has been working more closely with site selectors, recognizing that they make the initial decision regarding where to direct these individual companies. Also, changes made in the Zoning Code in 2012 have created more ease in how companies can develop within the City's different districts. There is now a more predictable process for companies who desire to locate in Dublin.

Mr. Gerber stated that 87% of the City's work force is employed by organizations of seven or less employees, which probably indicates they are pass-through entities. He is curious as to what extent the higher-wage employers are leaning more toward distributions, as opposed to payroll.

Ms. Grigsby responded that the median number for employees is very low. Typically, the focus is on the larger companies, because they receive the publicity. However, the number of small companies that Dublin has is substantial.

Ms. Mumma stated that she believes that with last year's Third Quarter Financial Report, Council was provided a report on the number of electronic filings. That information will be incorporated with this year's Third Quarter report, and if there is any other information that staff has prior to that, it will also be provided.

- **Review of Council Member Compensation Survey**

Ms. Chinnici-Zuercher stated that this item was deferred from the previous Finance Committee meeting. She has been questioned periodically about Council member salaries. She requested Ms. Mumma to conduct a survey comparison with other area communities. When the last Council salary increases were adopted, the reason the salaries remained under \$16,000 was because salaries of \$16,000 and over would trigger additional reporting, per State law. That law remains the same. She believes this subject warrants another review, due to the fact that there has been discussion regarding the number of meetings and activities in which Council members participate. There is a question of whether the current compensation sufficiently recognizes the current workload of Council members.

Mr. Gerber responded that he would like to study this information and schedule it for consideration at the next quarterly meeting.

Ms. Chinnici-Zuercher stated that item would be added to the next committee meeting agenda. If Council members have any additional information that they believe would be helpful in looking at this issue, she asked that they share it with her. She will discuss it with Ms. Mumma as they prepare for the next meeting's discussion. Unfortunately, a direct comparison with other entities is not possible, as all those entities function differently. However, the survey provided in the Committee's materials attempts to make a comparison to the extent possible.

Mr. Gerber stated that he believed this comparison was made previously, though he does not recall details. In some jurisdictions, however, the Mayor may preside over Mayor's Court, and

the compensation reflects those duties. Perhaps the survey could reflect the impact of that obligation on the compensation.

Ms. Grigsby responded that effort was attempted with this survey. The accompanying footnotes identify whether the Mayor presides over a Mayor's Court or has a magistrate. An increasing number of entities are now using magistrates; there weren't many identified where the Mayor actually ran Mayor's Court.

Ms. Chinnici-Zuercher stated that she believes that when this was reviewed in the past, a greater differential was reflected in the mayor's compensation, because Dublin's mayor actually ran Mayor's Court. At the time Mayor Lecklider opted not to run Mayor's Court, the mayor salary wasn't changed. Since that responsibility was the reason for the mayor's higher salary, there is reason to look at that, as well.

Mr. Keenan noted that Mayor Lecklider would probably indicate that even without that responsibility, he is very busy with the duties of the mayor's office.

Mr. Keenan noted that when the salary subject was last discussed, it was brought forward by previous City Manager, Ms. Brautigam, and addressed in a staff report.

Mayor Lecklider clarified that he had made the recommendation, but he did not decide to have a Magistrate preside over Mayor's Court. That was a Council decision.

Vice Mayor Salay noted that at that time, there was a lot of attention on Mayor's Courts, and this Council decided that it would be best for the City to have a Magistrate perform that function. The decision was not related to Mayor Lecklider's preference.

Mayor Lecklider added that it was not that he did not want to run the Court, but he did believe the manner in which it was then being run, with a Magistrate, was the best manner to conduct Mayor's Court going forward, regardless of who serves as Mayor. There is probably an accounting procedure in place that tracks the amount of time the primary Magistrate devotes to Mayor's Court. Perhaps that could be calculated against the general duties that all Council members have. He believes that the Court sessions have been shorter, and there have been fewer citations than in previous years. He is making no argument for either more or less compensation for Council members or the Mayor.

Mr. Gerber indicated that he does see the information in the footnotes. Perhaps this information can be studied more thoroughly and considered at the next meeting.

Ms. Chinnici-Zuercher indicated that the matter would be scheduled on the next Finance Committee of the Whole agenda.

Vice Mayor Salay inquired if a consideration is being made to decrease or increase Council members' salaries.

Ms. Chinnici-Zuercher responded that at this point, it is informational only.

- **HDBA Grant Inquiry**

Mr. Gerber stated that he has received phone calls from the Historic District Business Association (HDBA) president regarding a grant made to HDBA. In 2011, the City granted HDBA monies for a project that included hiring a consultant to research ideas to identify a theme/ideas for the holiday season. Accordingly, HDBA hired a consultant and identified tentative plans for this purpose. However, HDBA is being told by City staff that the implementation must be deferred to 2014. The HDBA president is requesting specifics regarding

the City's direction. He is not requesting that information tonight, but believes it needs to be reviewed. The City granted HDBA a significant amount of funding for this purpose.

Ms. Grigsby responded that an update would be provided to Council. When the City began to discuss this in 2012, it was determined the project would be implemented in two phases. It would need to occur in two parts because the City was replacing the streetlight poles in the Historic District. The City did not want to invest in decorations that would fit the old poles. Phase one was implemented last year, and new lighting and planters were installed along High Street. This year, the City is working on the streetlight posts. This work in the Historic District has not yet been completed. Information received from the consultant regarding the light poles is being reviewed and some issues are being worked out. An update will be provided to Council. Mr. Gerber requested that in addition to the report to Council, some better communication with the HDBA is needed.

Ms. Grigsby responded that staff will ensure that follow-up conversations occur with HDBA.

Ms. Chinnici-Zuercher inquired if the Historic District theme/decorations is a staff decision, or is HDBA engaged in the decision making.

Ms. Grigsby responded that HDBA submitted a proposal regarding the decorations that would be placed in the Historic District. The planters and lighting implemented last year were those recommended in the HDBA proposal. No modifications were made to that proposal. However, the City has been further reviewing what HDBA proposes to place on the light poles. It is an ongoing discussion, but HDBA has been involved in it.

The meeting was adjourned at 6:20 p.m.

Clerk of Council