



**Office of the City Manager**  
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# Memo

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**To:** Members of Dublin City Council  
**From:** Marsha I. Grigsby, City Manager *MIG*  
**Date:** October 9, 2014  
**Initiated By:** Angel L. Mumma, Director of Finance  
**Re:** Financial Update – 3<sup>rd</sup> Quarter 2014

## 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.

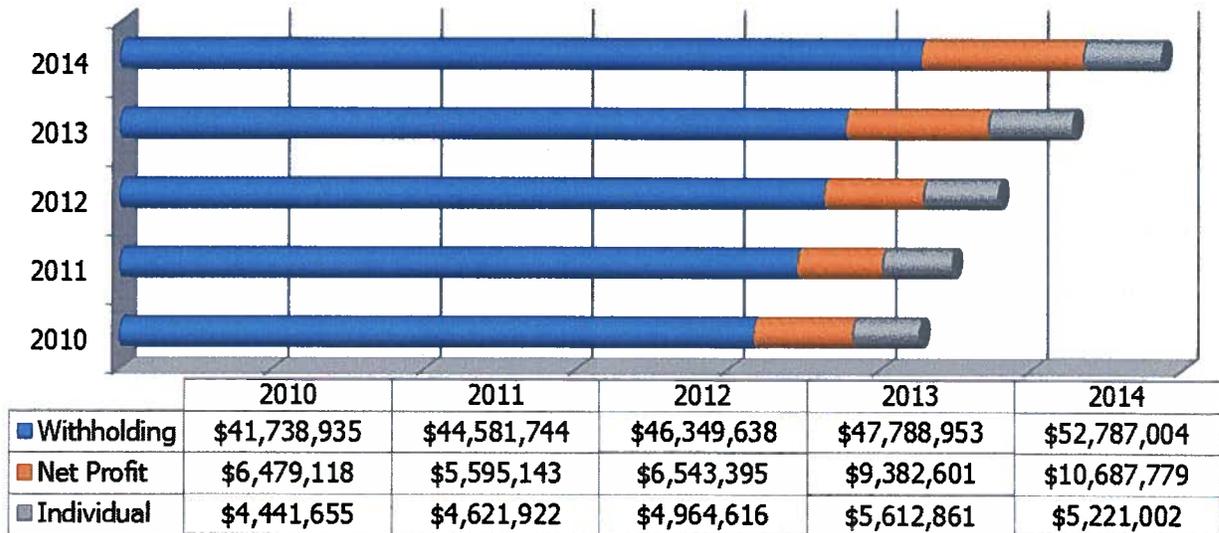
The City's General Fund balance continues to remain healthy through the 3<sup>rd</sup> quarter, ending with a balance of \$61,360,027, or 99.5% of the 2014 planned General Fund expenditures (excluding Advances).

### Income Tax Revenues

Income tax revenues continue to increase over 2013, with month-to-month increases occurring each month of 2014. As previously reported, the City experienced a 13.8% increase through the 1<sup>st</sup> quarter year-to-date, a 9.88% increase through the 2<sup>nd</sup> quarter year-to-date; through the 3<sup>rd</sup> quarter year-to-date, there has been a 9.42% increase. Year-to-date collections totaled \$68,695,785, which is an increase of \$5,911,370 over 2013.

Revenue from withholdings, which normally make up 75-80% of the City's income tax revenue, increased 10.5% through the 3<sup>rd</sup> quarter and net profits increased 13.9%. Revenue from individuals decreased 7.0%.

The graph that follows depicts the City's income tax revenue through the third quarter each year from 2010 through 2014.



When the 2014 Operating Budget was prepared in December 2013, staff projected \$76,475,000 in revenue from the local income tax. This estimate was based on an assumption of a 2.5% decrease over our 2013 revised revenue estimate. However, the City’s actual income tax revenue for 2013 exceeded the revised estimate by 4.7%. Recognizing the healthy increase in income tax revenue that had occurred through the 2<sup>nd</sup> quarter, staff revised the revenue projects to reflect a 3.5% increase over 2013 actual collections. This revised estimate was utilized as the basis for the income tax revenue projections when the 2015 – 2019 Capital Improvements Program (CIP) was presented to and adopted by City Council.

Having monitored our revenue through the 3<sup>rd</sup> quarter, staff had determined that it is appropriate to revise the income tax revenue projections once again. Based on year-to-date information, staff is now projecting a 5.5% increase over 2013 collections. This revision would allow for the City to meet its projection -- even if income tax revenue decreased 6% during the 4<sup>th</sup> quarter, as compared to the 4<sup>th</sup> quarter of 2013 – although that is not expected to occur.

Property Taxes and Service Payments

Property tax revenue in 2014 increased 1.35% or \$45,060 over 2013. The total amount collected was \$3,372,186, which was distributed between the Capital Improvements, Parkland Acquisition and Safety Funds. Given that there was little change in the assessed valuation of properties within Dublin for tax year 2013 (collected in 2014), this level of receipts is consistent with what would be expected.

Revenue from service payments, or payments in lieu of taxes, on properties within TIF districts increased 22.4% over 2013. Total collections for 2014 were \$8,325,494. As previously reported, the City anticipated an increase in service payments, based on a 1.9% increase in the total valuation of properties within our commercial TIF areas for the year. The largest growth in valuation from 2012 to 2013 was seen in the Perimeter West, Shamrock Boulevard, and Bridge & High Street TIFs, while the River Ridge TIF was one of the few that decreased in value.

Hotel/Motel Tax Revenue

The Hotel/Motel Tax revenue collected through the third quarter 2014 totaled \$1,481,708, which represents an \$82,527 or 5.9% increase over collections through the third quarter 2013.

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>January</b>	\$ 75,841	\$ 87,445	\$ 99,516	\$104,789	\$105,355
<b>February</b>	97,795	95,191	107,517	110,988	123,736
<b>March</b>	99,895	112,501	125,855	123,282	124,399
<b>April</b>	129,372	152,160	165,420	157,333	188,454
<b>May</b>	131,568	145,652	154,806	172,538	169,724
<b>June</b>	130,307	150,699	173,043	193,517	204,777
<b>July</b>	167,878	180,976	199,343	193,042	184,825
<b>August</b>	155,665	151,971	204,591	175,089	199,586
<b>September</b>	139,688	175,928	159,422	168,603	180,852
<b>3rd Qtr YTD</b>	<b>\$ 1,128,009</b>	<b>\$ 1,252,523</b>	<b>\$ 1,389,513</b>	<b>\$1,399,181</b>	<b>\$1,481,708</b>

Of the 14 hotels within the City of Dublin, eleven had increased tax collections through the 3<sup>rd</sup> quarter 2014 as compared to 2013.

Other Information

General Fund revenue totaled \$59,761,781 through September, which represented a 13.9% or \$7,307,087 increase over 2013. Excluding the repayment of advances from other funds, the General Fund revenue increased 8.0% or \$4,222,087. As previously stated, this was driven in large part by the increase in income tax collections, which increased \$4,433,528 in the General Fund alone. Charges for services increased \$343,235, which was driven by an increase in fuel charges, including that for CNG. These increases in revenue helped to offset reductions from other areas, including intergovernmental revenues, licenses, fines and permits, and interest income.

General Fund expenditures through September totaled \$54,440,708, which was an increase of \$4,304,451 or 8.6% over the same time period in 2013. This increase is attributable to advances made to the Bridge Street TIF for land acquisition purchases within the redevelopment area. Excluding transfers and advances made to other funds, General Fund expenditures decreased 0.6% or \$190,549 from 2013.

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 - Third Quarter 2014

Income Tax Revenues

Quarterly Recap:

	2014 Collections	% Change from 2013	2013 Collections	% Change from 2012	2012 Collections	% Change from 2011	2011 Collections
1st quarter	\$ 21,153,708	13.80%	\$ 18,589,036	2.21%	\$ 18,187,846	2.29%	\$ 17,781,032
2nd quarter	26,209,597	6.91%	24,514,992	11.64%	21,958,118	11.66%	19,665,815
3rd quarter	21,332,530	8.39%	19,680,387	11.12%	17,711,685	2.07%	17,351,962
4th quarter			19,320,955	9.95%	17,572,864	4.47%	16,820,448
	<u>\$ 68,695,835</u>		<u>\$ 82,105,370</u>	8.85%	<u>\$ 75,430,513</u>	5.32%	<u>\$ 71,619,257</u>

Monthly Recap:

	2014 Budget	2014 Collections	% Change from 2013	2013 Collections	% Change from 2012	2012 Collections	% Change from 2011	2011 Collections
January	\$ 5,950,549	\$ 6,549,602	2.52%	\$ 6,388,651	-4.81%	\$ 6,711,575	-2.72%	\$ 6,899,167
February	\$ 5,317,913	\$ 6,197,821	8.55%	\$ 5,709,438	20.22%	\$ 4,749,270	6.06%	\$ 4,477,952
March	\$ 6,045,831	\$ 8,406,235	29.51%	\$ 6,490,948	-3.51%	\$ 6,727,001	5.05%	\$ 6,403,913
1st quarter	<u>\$ 17,314,294</u>	<u>\$ 21,153,658</u>	13.80%	<u>\$ 18,589,037</u>	2.21%	<u>\$ 18,187,846</u>	2.29%	<u>\$ 17,781,032</u>
April	\$ 11,937,937	\$ 13,592,978	6.06%	\$ 12,816,853	21.75%	\$ 10,527,532	16.05%	\$ 9,071,564
May	\$ 4,325,909	\$ 5,008,950	7.85%	\$ 4,644,399	0.44%	\$ 4,624,249	-0.56%	\$ 4,650,464
June	\$ 6,570,030	\$ 7,607,670	7.85%	\$ 7,053,740	3.63%	\$ 6,806,337	14.51%	\$ 5,943,787
2nd quarter	<u>\$ 22,833,875</u>	<u>\$ 26,209,597</u>	6.91%	<u>\$ 24,514,991</u>	11.64%	<u>\$ 21,958,118</u>	11.66%	<u>\$ 19,665,815</u>
July	\$ 5,275,777	\$ 5,727,476	1.12%	\$ 5,664,199	7.89%	\$ 5,250,097	-4.35%	\$ 5,488,641
August	\$ 4,668,665	\$ 6,369,779	27.08%	\$ 5,012,590	3.92%	\$ 4,823,298	-6.24%	\$ 5,144,332
September	\$ 8,386,363	\$ 9,235,275	2.57%	\$ 9,003,798	17.88%	\$ 7,638,291	13.68%	\$ 6,718,990
3rd quarter	<u>\$ 18,330,804</u>	<u>\$ 21,332,530</u>	6.91%	<u>\$ 19,680,387</u>	11.64%	<u>\$ 17,711,686</u>	11.66%	<u>\$ 17,351,963</u>

Year-to-date **\$ 58,478,974** **\$ 68,695,785** 9.42%

2014 YTD Collections Compared to Budget \$ 10,216,811

2014 YTD Collections Compared to 2013 \$ 5,911,370

2014 YTD Recap by Type:

	2014 Collections	% Change from 2013	2013 Collections	% Change from 2012	2012 Collections	% Change from 2011	2011 Collections
Withholding accounts	\$ 52,787,004	10.46%	\$ 47,788,953	3.11%	\$ 46,349,638	3.97%	\$ 44,581,744
Net-profit accounts	10,687,779	13.91%	9,382,601	43.39%	6,543,395	16.95%	5,595,143
Individual accounts	5,221,002	-6.98%	5,612,861	13.06%	4,964,616	7.41%	4,621,922
	<u>\$ 68,695,785</u>	9.42%	<u>\$ 62,784,415</u>	8.52%	<u>\$ 57,857,649</u>	5.58%	<u>\$ 54,798,809</u>

City of Dublin  
Financial Update - Third Quarter 2014

**General Fund Balance**

December 2011	\$ 45,001,134				
December 2012	\$ 52,039,415				
December 2013	\$ 56,038,803				
January 2014	\$ 56,973,636	July 2014	60,392,628		
February 2014	57,666,600	August 2014	59,707,294		
March 2014	60,354,367	September 2014	61,360,027		
April 2014	63,743,866				
May 2014	62,936,591				
June 2014	58,727,787				

**Hotel/Motel Tax Revenues**

Quarterly Recap:	2014		2013		2012		2011	
	Collections	% Change from 2013	Collections	% Change from 2012	Collections	% Change from 2011	Collections	% Change from 2011
1st quarter	\$ 353,490	4.26%	\$ 339,059	1.85%	\$ 332,888	12.79%	\$ 295,137	
2nd quarter	562,955	7.56%	523,388	6.11%	493,269	9.98%	448,511	
3rd quarter	565,263		536,734	-4.73%	563,356	10.71%	508,875	
4th quarter			527,125	14.67%	459,700	6.99%	429,665	
	<u>\$ 1,481,708</u>		<u>\$ 1,926,307</u>	4.17%	<u>\$ 1,849,213</u>	9.93%	<u>\$ 1,682,188</u>	

**Monthly Recap:**

	2014		2013		2012		2011	
	Collections	% Change from 2013	Collections	% Change from 2012	Collections	% Change from 2011	Collections	% Change from 2011
January	\$ 105,355	0.54%	\$ 104,789	5.30%	\$ 99,516	13.80%	\$ 87,445	
February	123,736	11.49%	110,988	3.23%	107,517	12.95%	95,191	
March	124,399	0.91%	123,282	-2.04%	125,855	11.87%	112,501	
1st quarter	<u>\$ 353,490</u>	4.26%	<u>\$ 339,059</u>	1.85%	<u>\$ 332,888</u>	12.79%	<u>\$ 295,137</u>	

April	\$ 188,454	19.78%	\$ 157,333	-4.89%	\$ 165,420	8.71%	\$ 152,160	
May	169,724	-1.63%	172,538	11.45%	154,806	6.29%	145,652	
June	204,777	5.82%	193,517	11.83%	173,043	14.83%	150,699	
2nd quarter	<u>\$ 562,955</u>	7.56%	<u>\$ 523,388</u>	6.11%	<u>\$ 493,269</u>	9.98%	<u>\$ 448,511</u>	

July	\$ 184,825	-4.26%	\$ 193,042	-3.16%	\$ 199,343	10.15%	\$ 180,976	
August	199,586	13.99%	175,089	-14.42%	204,591	34.63%	151,971	
September	180,852	7.27%	168,603	5.76%	159,422	-9.38%	175,928	
3rd quarter	<u>\$ 565,263</u>	5.32%	<u>\$ 536,734</u>	-4.73%	<u>\$ 563,356</u>	10.71%	<u>\$ 508,875</u>	

<b>Year-to-date</b>	<u><b>\$ 1,481,708</b></u>	<b>5.90%</b>	<u><b>\$ 1,389,182</b></u>	<b>0.70%</b>	<u><b>\$ 1,389,513</b></u>	<b>10.94%</b>	<u><b>\$ 1,252,523</b></u>	
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2014 YTD Collections  
Compared to 2013

\$ 82,526

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Property Tax Revenues	Parkland Fund			Total	% Change from Prior Yr.
	Capital Fund	Safety Fund	Total		
1st half distribution 2011	\$ 1,270,276	\$ 317,569	\$ 203,001	\$ 1,790,846	
2nd half distribution 2011	\$ 1,143,072	\$ 285,768	\$ 182,337	\$ 1,611,177	
<b>Total 2011</b>	\$ 2,413,348	\$ 603,337	\$ 385,338	\$ 3,402,023	-0.55%
1st half distribution 2012	\$ 1,162,891	\$ 313,478	\$ 207,914	\$ 1,684,283	
2nd half distribution 2012	\$ 1,113,951	\$ 278,484	\$ 185,513	\$ 1,577,948	
<b>Total 2012</b>	\$ 2,276,842	\$ 591,962	\$ 393,427	\$ 3,262,231	-4.11%
1st half distribution 2013	\$ 1,237,863	\$ 309,466	\$ 205,608	\$ 1,752,937	
2nd half distribution 2013	\$ 1,110,900	\$ 277,725	\$ 185,563	\$ 1,574,189	
<b>Total 2013</b>	\$ 2,348,763	\$ 587,191	\$ 391,171	\$ 3,327,126	1.99%
1st half distribution 2014	\$ 1,248,034	\$ 312,008	\$ 208,216	\$ 1,768,258	
2nd half distribution 2014	\$ 1,131,289	\$ 282,823	\$ 189,817	\$ 1,603,928	
<b>Total 2014</b>	\$ 2,379,323	\$ 594,831	\$ 398,033	\$ 3,372,186	1.35%

**Service Payments-TIF Districts**

	Total	% Change from Prior Yr.
1st half distribution 2011	\$ 3,731,966	
2nd half distribution 2011	\$ 3,490,033	
<b>Total 2011</b>	\$ 7,221,999	-8.97%
1st half distribution 2012	\$ 4,349,539	
2nd half distribution 2012*	\$ 2,902,053	
<b>Total 2012</b>	\$ 7,251,592	0.41%
1st half distribution 2013	\$ 3,919,533	
2nd half distribution 2013	\$ 2,882,298	
<b>Total 2013</b>	\$ 6,801,831	-6.20%
1st half distribution 2014	\$ 4,674,987	
2nd half distribution 2014	\$ 3,650,507	
<b>Total 2014</b>	\$ 8,325,494	22.40%

\*The City received an additional \$24,828 from the Franklin County Auditor from surplus in the County Real Estate Assessment Fund. This amount was distributed between all City TIFs. The amount is not reflected in the 2nd half 2012 distributions as to no skew future comparisons.