

**DUBLIN CITY COUNCIL  
FINANCE COMMITTEE MEETING  
Monday, August 11, 2014  
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, Vice Mayor Gerber and Mr. Lecklider.

Other Council members present: Ms. Salay

Staff present: Ms. Grigsby, Ms. Mumma, Mr. Thurman.

- **Consent Agenda**

- Finance Committee Minutes of April 28, 2014

Vice Mayor Gerber moved approval of the consent agenda item.

Mr. Lecklider seconded the motion.

Vote on the motion: Ms. Chinnici-Zuercher, yes; Vice Mayor Gerber, yes. Mr. Lecklider, yes.

Ms. Chinnici-Zuercher noted that in late fall of 2013, the Committee had indicated there were two special opportunities with related hotel-motel tax grant applications that might come forward during the year and out of sequence with the normal timeframes for such applications. Tonight the Committee will review the Dublin Arts Council application for the Eddie Adams: Vietnam photography exhibit.

- **Hotel-Motel Tax Grant Application from Dublin Arts Council**

Ms. Chinnici-Zuercher noted that the request is for \$12,000 in funding for the Eddie Adams: Vietnam photography exhibit in 2015.

Mr. Guion, Executive Director, Dublin Arts Council stated that on June 23, he shared a full presentation of the exhibition with Council. A memo dated June 18 provided Council with a breakdown of the 50 photographs that comprise the exhibition, as well as the artifacts. In addition to the exhibition, the guest artists are listed – Hal Buell and Alyssa Adams, widow of Eddie Adams. The normal duration of the exhibition is 6-8 weeks, but the Dublin engagement would be exclusive for 16 weeks and offers the opportunity for additional workshops and community engagement. City staff and Council have indicated a desire for a strong connection in support of Veterans, supporting the goals of the Veterans initiative. In 2015, this exhibition and its ancillary programs will be an anchor project for Veterans organizations. One of the goals identified in discussion with the Veterans organizations is increasing their membership, and staff and the DAC believe this will assist in reaching that goal. The DAC will work directly with Community Relations to realize community activation and ceremonial components during the exhibition. Proper ceremonial roles and community activities will be planned for Council representatives, should they desire to participate. Another update since the June memo is that a meeting is scheduled with Roto, a Dublin company that has expressed interest in helping with the video feedback booth.

Ms. Chinnici-Zuercher stated that her understanding is the exhibit would open on Memorial Day – May 25, 2015 and continue through September 11, 2015.

Mr. Guion stated that is correct.

Ms. Chinnici-Zuercher commented that the proposal is very well written. The important element to her is the partnerships and relationships that can be built from now until it opens to ensure there are lots of people attending the exhibit. It will be a wonderful opportunity and one that the DCVB and travel agencies can incorporate in their offerings in Ohio. She expects that the Veterans groups would embrace this and work closely with the DAC and the City on this. In addition, the Veterans are generally older and this is a great opportunity for youth to see the images of the war. The Veterans can be present to educate the children.

Mr. Guion noted that Dr. Hoadley has been very supportive of this exhibit and it will bring together many entities to explore the subject matter.

Ms. Chinnici-Zuercher stated she appreciates the fact that the DAC is requesting a fairly small grant from the City and is working to secure a diverse group of funders for this exhibit.

Mr. Guion responded that their goal is to diversify the revenue stream for the exhibit.

Mr. Lecklider noted that he supports the request for all the reasons stated.

Vice Mayor Gerber stated that he, too, agrees with many of the comments made by Ms. Chinnici-Zuercher. He noted that Vietnam was clearly not a good memory for those who fought in the war and for those at home. Do they envision expanding upon the general veteran experience? Mr. Adams did a fantastic job with these photos, but Vietnam is not one of our country's proudest moments. He would not want this to be the only exhibit of war seen by the youth. Does he envision some positive outcomes from this exhibit?

Mr. Guion responded that the exhibit can be viewed in multiple ways. Many of the photographs changed the look and the feel of war, as it was the first time that photographers were allowed in and were part of the process. This was both positive and negative. The video that accompanies the exhibition brings home the thoughts of Eddie Adams about his photographs and the positive and negative aspects of war. He explores both very clearly and allows one to make their own judgment about the decisions made by our government at that time.

Vice Mayor Gerber stated he does support the exhibit of this world-renowned photography, and it is an opportunity to showcase the community as well as the country and our Veterans.

Ms. Chinnici-Zuercher asked if there has been a media partner secured for the exhibit.

Mr. Guion responded that they are hoping to work with Community Relations to secure some media partners – print as well as television and radio. They typically work with public television and public radio, and those would be the first partners to be approached.

Ms. Chinnici-Zuercher stated that perhaps WOSU would be willing to do a story to introduce the exhibit to the community. In follow up to Vice Mayor Gerber's comments, in the ideal world, it would be wonderful if the social studies teachers had workshops that included the Vietnam Veterans so that the students could be prepared for viewing the exhibit.

Mr. Lecklider asked if there will be some opportunity for interaction with the Vietnam Veterans who live in the community and in Central Ohio, where people could comment, inspired by the images in the exhibition.

Mr. Guion responded that there are workshops and tours planned, as well as a video feedback booth, which will allow people to react to the exhibition and the people they meet at the exhibition, and how they are exploring their experience. That is part of the process and they are hopeful that WOSU will pick up on some of that feedback and have it open for discussion.

Vice Mayor Gerber moved approval of the grant application.

Mr. Lecklider seconded the motion.

Vote on the motion: Ms. Chinnici-Zuercher, yes; Mr. Lecklider, yes; Vice Mayor Gerber, yes.

• **Financial Update – Second Quarter 2014**

Ms. Mumma reported the following:

- Income tax revenues, through the second quarter, were up 9.9 percent over the same period of time last year. This increase was driven by withholdings, which were up over 11 percent. In general, withholdings comprise between 75-80 percent of the income tax revenues for the year. The status of the withholdings is a key indicator of the income tax revenues.
- Every component of the withholdings has increased – the Top 10 businesses are up 20 percent, the Top 50 are up nearly 14 percent, the Top 100 are up 14 percent, the Top 250 are up nearly 13 percent, and the Top 500 are up nearly 12 percent. These numbers speak to the strength of the City's tax base and its diversity.
- As outlined in the memo, putting into context the impact of Nationwide's recent announcement – even if there had been no revenue from Nationwide thus far in 2014, the City's income tax revenues would still be up nearly 5.5 percent over 2013. Staff did take this announcement into account in making projections for 2014 year end, and that number will be used as a baseline for the 2015-2019 CIP. As such, staff has revised the 2014 income tax revenue projections to reflect a 3.5 percent increase over 2013 actual revenues.
- In total, staff is projecting \$85 million in income tax revenues for 2014.
- Through July, the income tax revenues remain positive and reflect an increase of nearly 9 percent over the period of January through July 2013.
- Overall, General Fund revenue is up 8.5 percent over the second quarter of 2013. The majority of the General Fund revenue is income tax revenue. This increase in the General Fund revenue is over \$3 million.
- The General Fund expenditures, excluding advances to other funds were down 4 percent over the same period last year or \$1.25 million. Together, these translate to a growth in the General Fund balance. Through the second quarter, the fund balance is \$58.7 million, which is 95 percent of the planned 2014 expenditures. This is well in excess of the 50 percent reserve that the City targets to maintain.
- Also noted in the report is the hotel-motel tax fund revenue, which is up 6.25 percent over the same period last year. The balance in that fund is healthy at \$3.5 million.
- There is nothing to report on the service payments, as they are made during the first and third quarters of each year.
- Overall, the City's financial condition is very healthy – despite some of the recent announcements – and continues to flourish.

She offered to respond to questions.

Ms. Chinnici-Zuercher asked when the Nationwide jobs will begin to shift out of Dublin to Columbus.

Ms. Mumma responded that the City has already seen a decrease in their withholdings. There is an economic development agreement in place with Nationwide, and their withholdings peaked in about 2010. Since that time, the amount has slowly declined. The City has lost about \$2 million since 2010 in terms of the withholdings generated from the Nationwide jobs.

Ms. Chinnici-Zuercher stated that it is important for the minutes to reflect that the loss of the jobs from Nationwide and related revenues represents a change in projects the City may be able to do in the future – based on the revenue loss. However, the greater loss is that of the corporation itself – particularly for the employees who live in Dublin and for those who chose to live in Dublin because of their employment at Nationwide’s facilities in Dublin. It does have a ripple effect upon restaurants and other providers of various services needed by the employees. Nationwide is a very successful and significant company in this state and region. It is unfortunate that they elected not to have a significant presence in this community and other communities in Central Ohio – with their decision to move all of their employees and business to the City of Columbus.

She congratulated Mr. Dring and his staff in their focused and aggressive efforts on securing events in Dublin to generate hotel-motel taxes. These efforts are really paying off and the City should send a letter to him, thanking him for his partnership with the City. These efforts introduce people to the Dublin community through stays at Dublin hotels, and these people may decide to move to Dublin in the future, based on a positive experience.

Vice Mayor Gerber stated that it will be interesting to see how the Dublin residents accustomed to working in Nationwide in Dublin will experience the winter weather in their commute to the other jurisdictions. The employees will also pay additional income taxes as a result of working in the City of Columbus. He is very proud of the City’s efforts in working to replace these job losses. It appears that even more jobs are on the horizon from other sources. All of this reflects a resiliency of the City as well as an attractiveness of this City to many others. He believes the City is headed in the right direction and acknowledged the hard work of staff.

Ms. Grigsby noted that the City has had Council’s support in focusing on economic development over many years, and recognizes its importance. For this reason, the City has an economic development staff who work every day to make sure businesses stay in Dublin as well as locate in Dublin. Staff is aware that businesses make decisions every day to either come to a community or to leave it for another. There will be other businesses who choose to leave Dublin, but in the history of the past 10-15 years, many more businesses have located in Dublin than have left.

Ms. Salay commented that individual companies make decisions for their situation and their workforce. It is understandable why Nationwide chose to move their employees downtown, based upon their real estate holdings in those areas. With regard to the various economic development agreements executed between jurisdictions or not executed, this is an example of a company making a business decision on its own – for their own reasons – not about another jurisdiction going after Dublin jobs. It is important for Dublin to “put its best foot forward” and then allow the companies to make their decisions about which community suits them best and for what reasons.

Mr. Lecklider asked about the financial projections and to what extent the pending state legislation regarding income tax has been taken into consideration, particularly the provisions related to the number of days an employee works in a community and the threshold number for taxing their income. He is not certain what percentage of the overall picture those type of employees represent.

Ms. Mumma responded that there is no significant update on the state legislation at this time. Ms. Gibson has continued to work with the interested parties over the summer break to tackle the technical inaccuracies of the proposed bill as it exists. She continues to meet with Rep. Grossman as well as former Tax Commissioner Tom Zaino on language that can be introduced in September. It is important to wait and see what key items are ultimately fleshed out, as the impacts cannot be determined at this time. As this legislation moves forward, staff will begin to work on quantifying and reflecting the changes in the City's income tax revenue projections. Some changes may not have the amount of impact on Dublin as on other entities. The focus of Ms. Gibson's efforts is what is best for the whole, and what is best for the whole may not be as catastrophic for the City of Dublin.

Ms. Grigsby added that whenever the proposed legislation does become effective, there will be a phase-in period. It would likely be 2018 or 2019 before impacts were felt, even if legislation were passed today.

Vice Mayor Gerber agreed. It is also interesting to note that Ohio is one of five states that permit municipalities to levy and administer income tax. However, even if the state were to eliminate its income tax, there is no discussion about eliminating local income taxes, as the network of services could not be sustained absent local income tax.

Ms. Chinnici-Zuercher stated that with the Local Government Funds reduced to virtually nothing and the estate tax eliminated, the income tax is the primary method of funding for municipalities to provide services.

Ms. Chinnici-Zuercher noted that Council is appreciative of staff's efforts to be good stewards of the City's financial resources and continuing to grow those resources.

- **Other Business**

Vice Mayor Gerber noted that there have been some e-mails about the possibility of one more hotel-motel tax grant application being reviewed by the Committee prior to the normal sequence in November.

Ms. Chinnici-Zuercher concurred, noting that a Finance Committee meeting will be scheduled for 6 p.m. on Monday, August 25 – provided that the revised application is submitted on time and has complete information.

The meeting was adjourned at 6:25 p.m.

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Clerk of Council