

**DUBLIN CITY COUNCIL  
FINANCE COMMITTEE MEETING  
Monday, April 13, 2015  
Council Chambers**

Minutes of Meeting

Ms. Chinnici-Zuercher, Chair, called the meeting to order at 5:45 p.m.

Finance Committee members present: Ms. Chinnici-Zuercher and Vice Mayor Gerber. Mr. Lecklider arrived later.

Also present were Mayor Keenan and Ms. Salay.

Staff present: Mr. McDaniel, Ms. Mumma, Ms. Crandall, Mr. Kridler, Chief von Eckartsberg, and Mr. Smith.

Consent Agenda

- Approval of Minutes of November 12, 2014 Meeting
- Approval of Minutes of November 24, 2014 Meeting

Ms. Chinnici-Zuercher moved approval of the Consent agenda items.

Vice Mayor Gerber seconded the motion.

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

**Financial Update – First Quarter 2015**

Ms. Mumma stated that the City continues to be in strong financial health. For the first quarter, the ending General Fund balance was \$63.1 million, which was \$2.1 million over the balance at the end of 2014. The main source of revenue for the City is income tax revenue. Staff monitors this revenue on a daily basis. However, the first quarter can be unpredictable. The first quarter income tax revenues were down 3.4 percent over the 1<sup>st</sup> quarter of 2014. As noted in the memo to Council, that results from the impact of Verizon moving out of the City and a large employer in the City who made substantial severance payments in the 1<sup>st</sup> quarter of 2014. For comparison purposes, these are important factors to note.

Staff is not alarmed by the decrease to date, as compared to the budget; the numbers are ahead of what was anticipated. The total withholding was down 3.76 percent for the quarter; the top ten were down 6 percent; the top 50 were down 9.4 percent. In looking at the top 100 businesses as a whole, they were down 5.5 percent. As Council is aware, the income tax returns are due this week and staff will keep Council updated on the status. If at any point staff has concern, this will be brought to Council's attention together with some recommended remedies.

Mr. McDaniel asked her to restate the revenue compared to what was budgeted.

Ms. Mumma responded that for the first quarter, \$20.4 million was brought in and the budget was \$19.6 million – therefore, the revenues exceed what was budgeted by \$822,000. Staff is very conservative in planning, and the goal is to have actual collections exceed the budget.

Vice Mayor Gerber agreed with this approach, noting that he believes the second quarter will reflect leveling out or improving. Many companies' actions at year end impact the first quarter results for the City.

Ms. Mumma stated that, typically, staff begins making revisions to the current year estimate after the second quarter for this reason. Timing is critical and can have impacts. This decline in income tax revenue contributed to the total General Fund revenue decline of approximately \$530,000 compared with the first quarter of 2014. In total, the City was down \$530,000, but

that amount is nearly exactly the amount of decline in income tax revenue allocated to the General Fund.

In reviewing the charges for services, they were up 47 percent due to fuel and CNG revenue. That can also be related to timing.

In addition, there was a decline in miscellaneous revenue, which the City does not depend upon, but that is a result of the sale of fixed assets and the fact that more sales took place last year than this year.

In looking at General Fund expenditures, excluding transfers and advances, there was a decline of 4.4 percent in 2015 over the same period in 2014. That was driven by a reduction in other projects and programs. One of the economic development incentive payments of over \$900,000 was made in the first quarter of 2014, and it would typically have been made in 2015. This skewed the expenditures for first quarter 2014 in comparison to first quarter 2015. All other expenditures seem in line with where they have been in years past. The net impact of the General Fund revenue and the General Fund expenses resulted in an overall increase in the General Fund balance, as revenues exceeded expenditures.

Typically, staff provides to Council during the quarterly updates in the first and third quarter an update on service payment revenue within TIFs as well as property tax revenues. The county auditor's office is making software changes, however, and they have yet to distribute the first half settlement. Fortunately, the City is not dependent upon that revenue in order to make debt service payments. This is an example of why it is important to maintain a fund balance for these kinds of situations. However, information received at the beginning of the year, based on valuations of properties within TIF areas leads staff to expect a 3 percent increase in TIF valuations over 2014. The annual Tax Increment Review Council meeting is scheduled on Tuesday, May 5 at 4 p.m. and the status of each TIF district will be reviewed.

She noted that the State Treasurer has requested that municipalities post their financial reports online. Staff agrees that transparency is important for taxpayers. But the City is undergoing a software system change within Finance, and the implementation will require several months. Staff will send a letter to the State Treasurer indicating the City does want to participate in this, but wants to wait until the new software system is implemented. The current system is not user friendly and data is difficult to extrapolate from the system. Within a few months, however, the City will have the new system in place.

Ms. Chinnici-Zuercher commented that her understanding was that the State Treasurer was encouraging municipalities to use certain software so that the process would be seamless for local governments to share this information.

Ms. Mumma responded that with the software the State plans to use, it would still be necessary to extrapolate data from the City's software. Staff can look into that.

Ms. Salay asked if there will be explanation provided regarding the data, as citizens will need additional information on some items.

Ms. Mumma responded that posting raw data will lead to confusion. She wants to understand the capability within Dublin's system, but perhaps there will be a dashboard view available

publicly and it would not be necessary to customize the data to fit the state program. As this process continues, if staff finds a better way to share information, they will pursue that.

Mayor Keenan commented that, in particular, the balance in the General Fund carried by the City might warrant some explanation – why it supports the City's bond ratings, etc.

Ms. Salay stated she does not want to create more work for staff, but was hoping the information provided could be user friendly versus just posting data.

Mayor Keenan noted that perhaps FAQs could be included, as many will have the same questions.

Ms. Mumma stated that even absent knowing the details of how this State Treasurer's office system works and not knowing the capabilities of Dublin's new system, she is generally confident in stating that the information is only as good as what is put into it. From the outset of the installation of a new system, it is important to have these features included. It would be cumbersome to go back in and include explanations at a later time.

Ms. Chinnici-Zuercher commented that she would prefer brief updates each month, since there has been a slight change from previous years. It does demonstrate the importance of continually bringing in new businesses, retaining existing businesses, and that is an ongoing challenge. Consolidations and relocations occur frequently in today's business world, impacting the City's income. There are major projects underway in the City, and maintaining a healthy General Fund balance is more important than ever.

Ms. Mumma responded that not many municipalities could lose two of their top ten employees and remain in excellent financial condition. That speaks to the diversity of Dublin's tax base of over 4,000 businesses.

Mr. McDaniel mentioned, relative to the former Verizon buildings, that he spoke with Ms. Gilger today and the owner of those buildings will be in the City next week. Staff will engage him and continue to work with him to attract a new user.

The meeting was adjourned at 6:02 p.m.

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Clerk of Council