

To: Members of Dublin City Council
From: Dana L. McDaniel, City Manager
Date: October 8, 2015
Initiated By: Angel L. Mumma, Director of Finance
Re: Financial Update – Third Quarter 2015

Summary

Income Tax Revenues

In the 2015 Operating Budget, we projected \$81,650,000 in revenue from the local income tax. This estimate was based on an assumption of a 5.7% decrease over our 2014 revised revenue estimate, determined when the 2015 Operating Budget was approved in December 2014. However, our actual income tax revenue for 2014 exceeded the revised estimate by 1.7%.

The main driver behind the decrease in projected income tax revenue for 2015 was the loss of revenue from Verizon. As previously reported to City Council, the first quarter ended with income tax revenues decreasing 3.4% over the same period in 2014 and the second quarter ended with income tax revenues decreasing 2.9% over the same period in 2014. This decline through the second quarter was primarily driven by an 18.7% decrease in net profits, while withholding revenue remained stable.

Given our budgeted income tax revenues versus our actual collections through June, Staff revised the 2015 income tax revenues upwards by 2% to reflect anticipated revenue of \$83,285,000, an increase of \$1,635,000. This was the projection utilized as a basis for the revenue in the 2016 – 2020 Capital Improvements Program (CIP).

The City made up some ground during the third quarter with year-to-date income tax revenues reflecting a 1.3% reduction, or \$884,227, over 2014. Withholding, the largest component of income tax revenue, showed an increase of 1.4%, while revenue from individuals increased 8.1%. Revenue from net profits remained down 19.2% largely as a result from the loss of one of the City's largest employers.

Based on the third quarter results, Staff fully anticipates that actual income tax revenue for the year will exceed the revised income tax projection. However, Staff continues to monitor the collections on a daily basis, watching for anything that may be of concern.

The graph below depicts the City's income tax revenue through the third quarter each year from 2011 through 2015.

**City of Dublin
Financial Update - Third Quarter 2015**

Income Tax Revenues

Quarterly Recap:

	2015 Collections	% Change from 2014	2014 Collections	% Change from 2013	2013 Collections	% Change from 2012	2012 Collections
1st quarter	\$ 20,434,210	-3.40%	\$ 21,153,658	13.80%	\$ 18,589,036	2.21%	\$ 18,187,846
2nd quarter	25,547,020	-2.53%	26,209,597	6.91%	24,514,992	11.64%	21,958,118
3rd quarter	21,830,328	2.33%	21,332,530	8.39%	19,680,387	11.12%	17,711,685
4th quarter			19,372,746	0.27%	19,320,955	9.95%	17,572,864
	<u>\$ 67,811,558</u>		<u>\$ 88,068,531</u>	7.26%	<u>\$ 82,105,370</u>	8.85%	<u>\$ 75,430,513</u>

Monthly Recap:

	2015 Budget	2015 Collections	% Change from 2014	2014 Collections	% Change from 2013	2013 Collections	% Change from 2012	2012 Collections
January	\$ 6,072,136	\$ 6,330,080	-3.35%	\$ 6,549,602	2.52%	\$ 6,388,650	-4.81%	\$ 6,711,575
February	5,746,000	6,293,859	1.55%	6,197,821	8.55%	5,709,438	20.22%	4,749,270
March	7,793,420	7,810,271	-7.09%	8,406,235	29.51%	6,490,948	-3.51%	6,727,001
1st quarter	<u>\$ 19,611,556</u>	<u>\$ 20,434,210</u>	-3.40%	<u>\$ 21,153,658</u>	13.80%	<u>\$ 18,589,036</u>	2.21%	<u>\$ 18,187,846</u>
April	\$ 12,602,050	\$ 12,214,670	-10.14%	\$ 13,592,978	6.06%	\$ 12,816,853	21.75%	\$ 10,527,532
May	4,643,798	6,253,050	24.84%	5,008,950	7.85%	4,644,399	0.44%	4,624,249
June	7,053,071	7,079,300	-6.95%	7,607,670	7.85%	7,053,740	3.63%	6,806,337
2nd quarter	<u>\$ 24,298,918</u>	<u>\$ 25,547,020</u>	-2.53%	<u>\$ 26,209,598</u>	6.91%	<u>\$ 24,514,992</u>	11.64%	<u>\$ 21,958,118</u>
July	\$ 5,309,943	\$ 5,721,440	-0.11%	\$ 5,727,476	1.12%	\$ 5,664,199	7.89%	\$ 5,250,097
August	5,905,422	6,356,271	-0.21%	6,369,779	27.08%	5,012,390	3.92%	4,823,298
September	8,562,023	9,752,617	The City made up :	9,235,275	2.57%	9,003,798	17.88%	7,638,291
3rd quarter	<u>\$ 19,777,389</u>	<u>\$ 21,830,328</u>	2.33%	<u>\$ 21,332,530</u>	8.39%	<u>\$ 19,680,387</u>	11.12%	<u>\$ 17,711,686</u>
Year-to-date	<u>\$ 63,687,863</u>	<u>\$ 67,811,558</u>		<u>\$ 68,695,786</u>		<u>\$ 62,784,415</u>		<u>\$ 57,857,650</u>

2015 YTD Collections
Compared to Budget

\$4,123,695 6.47%

2015 YTD Collections
Compared to 2014

-\$884,228 -1.29%

City of Dublin
Financial Update - Third Quarter 2015

YTD Recap by Type:

	2015 Collections	% Change from 2014	2014 Collections	% Change from 2013	2013 Collections	% Change from 2012	2012 Collections
Withholding accounts	\$ 53,532,590	1.41%	\$ 52,787,004	10.46%	\$ 47,788,953	3.11%	\$ 46,349,638
Net-profit accounts	8,637,584	-19.18%	10,687,779	13.91%	9,382,601	43.39%	6,543,395
Individual accounts	5,641,384	8.05%	5,221,002	-6.98%	5,612,861	13.06%	4,964,616
	<u>\$ 67,811,558</u>	-1.29%	<u>\$68,695,785</u>	9.42%	<u>\$62,784,415</u>	8.52%	<u>\$57,857,649</u>

**City of Dublin
Financial Update - Third Quarter 2015**

General Fund Balance

December 2012	\$	52,039,415
December 2013	\$	56,038,803
December 2014	\$	61,017,045
January 2015	\$	62,525,140
February 2015		61,424,844
March 2015		63,172,337
April 2015		65,538,818
May 2015		63,587,004
June 2015		39,902,753
July 2015		37,471,432
August 2015		37,733,761
September 2015		36,595,600

*\$23,280,000 advanced to Capital Construction Fund for the Riverside Drive Realignment, Riverside Drive/SR 161 Roundabout, Riverside Park Project between June and September. Funds will be reimbursed from bond proceeds in October 2015.

Hotel/Motel Tax Revenues

Quarterly Recap:

	2015 Collections	% Change from 2014	2014 Collections	% Change from 2013	2013 Collections	% Change from 2012	2012 Collections
1st quarter	\$ 369,345	4.49%	\$ 353,490	4.26%	\$ 339,059	1.85%	\$ 332,888
2nd quarter	586,812		562,955	7.56%	523,388	6.11%	493,269
3rd quarter	-		565,263	5.32%	536,734	-4.73%	563,356
4th quarter	-		523,826	-0.63%	527,125	14.67%	459,700
	<u>\$ 956,157</u>		<u>\$ 2,005,534</u>	4.11%	<u>\$ 1,926,307</u>	4.17%	<u>\$ 1,849,213</u>

Monthly Recap:

	2015 Collections	The City made 1 from 2014	2014 Collections	% Change from 2013	2013 Collections	% Change from 2012	2012 Collections
January	\$ 109,687	4.11%	\$ 105,355	0.54%	\$ 104,789	5.30%	\$ 99,516
February	127,323	2.90%	123,736	11.49%	110,988	3.23%	107,517
March	132,335	6.38%	124,399	0.91%	123,282	-2.04%	125,855
1st quarter	<u>\$ 369,345</u>	4.49%	<u>\$ 353,490</u>	4.26%	<u>\$ 339,059</u>	1.85%	<u>\$ 332,888</u>
April	\$ 193,250	2.54%	\$ 188,454	19.78%	\$ 157,333	-4.89%	\$ 165,420
May	\$ 189,310	11.54%	169,724	-1.63%	172,538	11.45%	154,806
June	\$ 204,253	-0.26%	204,777	5.82%	193,517	11.83%	173,043
2nd quarter	<u>\$ 586,812</u>	4.24%	<u>\$ 562,955</u>	7.56%	<u>\$ 523,388</u>	6.11%	<u>\$ 493,269</u>
July	\$ 241,904	30.88%	\$ 184,825	-4.26%	\$ 193,042	-3.16%	\$ 199,343
August	\$ 227,544	14.01%	199,586	13.99%	175,089	-14.42%	204,591
September	\$ 199,153	10.12%	180,852	7.26%	168,603	5.76%	159,422
3rd quarter	<u>\$ 668,600</u>	18.28%	<u>\$ 565,263</u>	5.32%	<u>\$ 536,734</u>	-4.73%	<u>\$ 563,356</u>
Year-to-date	<u>\$ 1,624,758</u>	9.65%	<u>\$ 1,481,708</u>	5.90%	<u>\$ 1,399,181</u>	0.70%	<u>\$ 1,389,513</u>
2015 YTD Collections Compared to 2014	<u>\$ 143,050</u>						

**City of Dublin
Financial Update - Third Quarter 2015**

Property Tax Revenues

	Capital Imp. Fund	Parkland Fund	Safety Fund	Total	% Change from Prior Yr.
3rd Qtr YTD 2013	2,348,763	587,191	391,171	3,327,126	2.0%
3rd Qtr YTD 2014	2,379,323	594,831	398,033	3,372,186	1.4%
3rd Qtr YTD 2015	2,455,219	613,772	399,287	3,468,278	2.8%

Service Payments - TIF Districts

	Total	% Change from Prior Yr.
3rd Qtr YTD 2013	6,801,830	-6.5%
3rd Qtr YTD 2014	8,325,494	22.4%
3rd Qtr YTD 2015	6,857,432	-17.6%

City of Dublin
TIF Service Payments
As of September 30, 2015

TIF	Q3 2012		Q3 2013		Q3 2014		Q3 2015		% Change (2014 to 2015)
Bridge and High St. TIF	\$	57,438	\$	81,412	\$	113,763	\$	113,690	-0.1%
Delta Energy TIF	\$	18,630	\$	34,279	\$	34,357	\$	34,398	0.1%
Dublin Methodist Hospital TIF	\$	207,604	\$	145,689	\$	138,216	\$	151,842	9.9%
Historic Dublin TIF	\$	76,302	\$	66,877	\$	59,212	\$	77,856	31.5%
Irelan Place TIF	\$	(13,291)	\$	4,187	\$	4,217	\$	4,202	-0.3%
Kroger Centre TIF	\$	240,559	\$	248,740	\$	250,508	\$	284,788	13.7%
Lifetime Fitness TIF	\$	146,344	\$	141,353	\$	142,357	\$	141,843	-0.4%
McKitrick TIF	\$	1,188,861	\$	1,205,744	\$	1,132,695	\$	1,156,787	2.1%
Perimeter Center TIF	\$	480,898	\$	525,823	\$	478,472	\$	442,588	-7.5%
Perimeter Loop TIF	\$	35,572	\$	36,158	\$	36,415	\$	36,041	-1.0%
Perimeter West TIF	\$	1,356,443	\$	1,130,230	\$	2,211,691	\$	1,189,089	-46.2%
Pizzuti TIF	\$	265,264	\$	296,382	\$	334,581	\$	206,198	-38.4%
Rings Road TIF	\$	411,959	\$	265,903	\$	421,712	\$	68,661	-83.7%
Rings/Frantz TIF	\$	557,369	\$	213,213	\$	417,285	\$	385,143	-7.7%
River Ridge TIF	\$	66,954	\$	(46,194)	\$	19,860	\$	30,844	55.3%
Ruscilli TIF	\$	288,893	\$	520,109	\$	538,092	\$	600,333	11.6%
Shamrock Blvd. TIF	\$	11,329	\$	12,393	\$	23,681	\$	48,521	104.9%
Shamrock Crossing TIF	\$	59,059	\$	62,044	\$	66,027	\$	144,014	118.1%
Shier Rings Road TIF	\$	41,549	\$	42,232	\$	42,532	\$	(75,696)	-278.0%
Tartan West TIF	\$	552,430	\$	564,820	\$	597,690	\$	622,523	4.2%
Thomas/Kohler TIF	\$	757,745	\$	807,285	\$	790,912	\$	701,287	-11.3%
Upper Metro Place TIF	\$	244,590	\$	215,549	\$	242,000	\$	241,125	-0.4%
Woerner-Temple TIF	\$	223,919	\$	227,603	\$	229,220	\$	228,392	-0.4%
Nestle TIF							\$	22,963	n/a
Grand Total	\$	7,276,421	\$	6,801,830	\$	8,325,494	\$	6,857,432	-17.6%