

DUBLIN CITY COUNCIL
FINANCE COMMITTEE MEETING OF THE WHOLE
Monday, April 11, 2016
Council Chambers

Minutes of Meeting

Mr. Keenan, Chair, called the meeting to order at 6:00 p.m.

Finance Committee members present: Mr. Keenan, Mr. Lecklider, Ms. Alutto.

Other Council members present: Ms. Salay, Mayor Peterson, Ms. Amorose Groomes, and Vice Mayor Reiner.

Staff present: Mr. McDaniel, Ms. Mumma, Mr. Smith, Mr. Hartmann, Mr. Stiffler, Mr. Shawn Smith, Mr. Earman, Ms. Crandall and Ms. Richison.

Mr. Keenan moved approval of the minutes of the November 30, 2015 and February 22, 2016 Finance Committee meetings.

Mr. Lecklider seconded the motion.

Motion carried.

FINANCIAL UPDATE – FIRST QUARTER 2016

Financial System Update

Ms. Mumma stated that the City recently underwent the implementation of a new software system, replacing a software system that had been in place since the late 1990s. The new system went "live" March 1. She requested Council's indulgence, as this quarterly report was not quite as precise as previous reports. Due to conversion issues, staff is now closing out the month of March. Although they are posting a backlog of revenues, all expenditures and income tax revenues have been accounted for. Since those revenues comprise 80-90 percent of the General Fund revenue, the view is accurate. She thanked Shawn Smith for his work in facilitating the new software implementation.

General Fund Revenue

Fiscal year 2015 closed just slightly below Year 2014 – Income Tax revenue was down .32%. Given that this was the first year in which the City felt the impact of the loss of Verizon -- one of the City's top ten withholding accounts -- having the income tax revenues essentially even with the previous year indicates the solid nature and diversification of the City's existing tax base. Withholdings in 2015 were actually up 1.4%.

Vice Mayor Reiner inquired approximately how many jobs departed with Verizon.

Ms. Mumma responded that it was in the 1,500-2,000 range.

Mr. McDaniel responded that it was closer to 2,000.

Ms. Mumma indicated that in First Quarter 2016, Income Tax revenues were up 4.06%, approximately \$830,000. Withholdings were up 3%; Net Profits were up 24%; individual returns were nearly even – up approximately .25%. Overall, the City experienced a very solid January – up 17%, and slightly less in February and March. Much of that difference, however, is due to a difference in timing from 2015. The quarter closed with good Income Tax receipts. Typically, first quarter revenue fluctuates from year to year. Although revenue from the top ten employers was down 3.5%, in the top 250 employers, they were up .64%; in the top 500, they were up almost 1.5%. This underscores the importance of having businesses of all sizes in Dublin.

Although the top 10 employers may have experienced some fluctuation, the remaining employers made up the difference, which resulted in the Total Income Tax Revenues being up 4%.

Mayor Peterson inquired if that number reflects an increase in salaries or an increase in number of employees.

Ms. Mumma responded that it is difficult to determine the number of jobs based on the number of W2s. For example, replacing an employee during the year would generate two W2s for the same position.

Mr. Keenan inquired the percentage of personal versus commercial income tax revenue.

Ms. Mumma responded that over 80% of the City's Income Tax Revenue is from withholdings; the remainder would be from corporate taxes. Despite the fact that Net Profits were up 24% - which is cyclical - that is only \$250,000.

General Fund Expenditures

General Fund Expenditures for the quarter totaled \$11 million, which represents a 25% decrease over the first quarter 2015 expenditures. Excluding transfers and advances, expenditures decreased 7.1% or \$681,463. The largest portion of this decrease is within contractual services. It is also due to a reduction in real estate payments and legal fees. Supplies also decreased over \$350,000. The mild winter resulted in a reduction in fuel expenditures, equipment maintenance, and less need for money transferred into the Street Fund for purchase of road salt.

Mr. Keenan inquired about the cost of overtime for Street workers.

Ms. Mumma replied that overtime costs would be applied to the Street fund. The General Fund subsidizes the Street Fund. This year, approximately \$650,000 less was transferred into the Street Fund during the First Quarter.

Ms. Mumma stated that as a result of the City's General Fund Revenue exceeding its total General Fund Expenditures, the fund balance has increased since the end of 2015. Currently, it is \$64.9 million. Comparing that to the projected 2016 General Fund Expenditures, it is approximately 93% of the 2016 planned General Fund expenditures, well in excess of the 50% reserve that Council has established.

Hotel/Motel Tax Revenue

The total bed tax revenues collected in the first quarter 2016 increased 7.6% over the first quarter 2015. There is a decline in the fund revenue, however, due to the increased funding to the Dublin Convention and Visitors Bureau. It is similar with the Expenses due to the additional funding of the Dublin Arts Council.

Property Taxes and Service Payments

The distribution of property taxes and service payments from the TIF areas are made during the first and third quarters of each year. However, staff is still working on recording that revenue in the proper accounts and funds. The annual Tax Incentive Review Council (TIRC) meeting will be held on April 26. The chairpersons of the Finance Committee and Community Development Committee serve on that review body. At that meeting, performance of each of the TIFs - revenue and expenditures -- will be reviewed. Staff will ensure that Council receives a copy of that information.

Mr. Keenan noted that it is a public meeting. He encouraged the new Council members to attend, given the recent questions concerning TIFs.

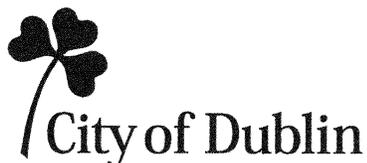
Other Business

Ms. Mumma noted that the annual audit is in process, conducted by the new auditors, Julian & Grube of Westerville. They may be contacting Council members with questions.

There was no additional discussion.

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

Clerk of Council



Office of the City Manager

5200 Emerald Parkway • Dublin, OH 43017-1090
Phone: 614-410-4400 • Fax: 614-410-4490

Memo

To: Members of Dublin City Council
From: Dana L. McDaniel, City Manager
Initiated By: Homer C. Rogers Jr., Director of Human Resources
Date: April 21, 2016
Re: Plan to Present Health Benefits History, Current Status and Analysis to City Council

The Plan

The purpose of this memorandum is to inform Council of the process that will be followed to provide a historical accounting, current status and analysis of the Health Benefits Plan currently utilized by all City of Dublin Employees. This will be a two part process:

Part I: Monday, April 25th at 6:00 pm

This presentation to Council will provide an overview of Dublin's benefits, from where we started to where we are today. It will also provide a review of claims experience and the performance of the stop-loss insurance. Finally, a discussion of the funding process will be provided.

Part 2: Monday, June 13th at 5:30 pm

This presentation to Council will provide a comparative analysis of health plans from public and private sector. Various other factors that may have some bearing on the future of Dublin's Health Benefits Plan will also be discussed. Finally, Staff will provide recommendations for Dublin's health plan.