

RECORD OF PROCEEDINGS

Minutes of _____

Dublin City Council _____

Meeting _____

BARRETT BROTHERS - DAYTON, OHIO

Form 6101

Held _____

June 27, 2016

CALL TO ORDER

Mayor Peterson called the Monday, June 27, 2016 Regular Meeting of Dublin City Council to order at 7:00 p.m. in Council Chambers at Dublin City Hall.

ROLL CALL

Present were Mayor Peterson, Vice Mayor Reiner, Ms. Alutto, Ms. Amorose Groomes, Mr. Keenan and Mr. Lecklider. Ms. Salay was absent (excused).

Staff members present were Mr. McDaniel, Ms. Mumma, Ms. Crandall, Mr. Smith, Ms. Readler, Mr. Hartmann, Ms. Goss, Ms. O'Callaghan, Mr. Foegler, Chief von Eckartsberg, Mr. Earman, Mr. Papsidero, Mr. Rogers, Mr. Hammersmith, Ms. Richison, Ms. Puskarcik, Ms. Kennedy, Mr. Shawn Smith and Mr. Plouch.

PLEDGE OF ALLEGIANCE

Boy Scouts from Troops 200, 116 and 117 were present and led the Pledge of Allegiance. Mayor Peterson invited them to introduce themselves.

SPECIAL RECOGNITION/PROCLAMATION

- **Parks and Recreation Month**

Mayor Peterson read and presented a proclamation in honor of Parks and Recreation Month to Mr. Earman.

Mr. Earman thanked Council for the recognition and asked Colleen Borland, Recreation Services intern, to provide an update on activities and programming occurring during Parks and Recreation Month.

Ms. Borland shared a list of summer activities that City Recreation Services would be offering, including outdoor yoga, paddle boarding and kayaking. In addition, several events will be held, which will focus on outdoor activities such as biking, swimming or walking. Prizes will be offered for participation in the events. On Friday, July 22, the opening of the new skate park will be celebrated. The celebration will include food, safety presentations and a "movie in the park." Because the theme for National Parks & Recreation Month is "Super Heroes," the movie, "Incredibles" will be shown on the large, inflatable outdoor movie screen.

Mr. Earman noted that staff could not make these programs and experiences available for the community without Council's support. He thanked Council for this opportunity.

- **Tiffin University Presentation**

Police Chief von Eckartsberg stated that staff is proud to announce a partnership between the City and Tiffin University. It is actually a renewal of a previous partnership in 2000-2007. Tiffin University will be offering Masters Level Criminal Justice courses at the Police Department, beginning in August. During the time the Justice Center is under renovation, some of the classes will be at the Recreation Center. He introduced members of Tiffin University staff: Kevin Cashen, retired City of Norwalk Police Chief, Lacy Ellis and Nikki Hintze.

Mr. Cashen stated that the Dublin Police Department has had an excellent reputation throughout the state for many years and has a great Police Chief. He is excited about offering this program, which was designed with the practitioner in mind. They compiled a cohort-based program, whereby 30 graduate credit hours will be earned in just over a year. They are focusing on educational topics that are germane to being a practitioner. They are excited about the partnership and are looking forward to working with the City of Dublin.

Mayor Peterson inquired if Police Officers will be participating in the program. Chief von Eckartsberg responded that scholarships will be available for Dublin Police staff.

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CITIZEN COMMENTS

Bob Moffett, 5667 Kentfield Drive, Dublin expressed his appreciation for the hidden gem that Dublin has with its bikepaths. They provide the opportunity for people to explore Dublin and provide a connection between all the parks. In recognition of the upcoming Parks and Recreation Month, he wanted to express his appreciation to the City for providing this amenity for the community.

Mayor Peterson thanked Mr. Moffett for his comments and noted that during the summer months in particular, Dublin's youth are able to reach any of the other neighborhoods within the City safely via the paths, which parents appreciate!

CONSENT AGENDA

Hearing no request to remove an item from the Consent Agenda, Mayor Peterson moved approval of the following two items.

- Approval of Regular Council Meeting Minutes of June 13, 2016
- **Resolution 36-16 (Introduction/vote)**
Accepting the Lowest and Best Bid for the Dublin Road Shared Use Path Project, Limestone Ridge to Tuttle Road.

Mr. Keenan seconded the motion.

Vote on the motion: Mr. Lecklider, yes; Mayor Peterson, yes; Ms. Alutto, yes; Ms. Amorose Groomes, yes; Mr. Keenan, yes; Vice Mayor Reiner, yes.

INTRODUCTION/FIRST READING – ORDINANCES

Ordinance 24-16

Amending the Annual Appropriations for Fiscal Year Ending December 31, 2016.

Mayor Peterson introduced the ordinance.

Ms. Mumma stated that Ordinance 24-16 will amend the 2016 appropriations. An appropriation takes funding that is available within each of the respective fund balances and allocates it to the proper expenditure account. Ordinances such as this are routine legislation that put the funding in place for commitments previously made by the City. The majority of the funds requested are related to Capital Projects approved as part of the 2016 – 2020 Capital Improvements Plan. Many of those projects have contractual obligations that the City has entered into in order to initiate the projects and, as such, the funding is needed to meet those contractual obligations. The staff report provides a detailed explanation for each of the requests.

Ms. Amorose Groomes asked the following:

- In the staff memo, paragraph 2 of Section 1, states that the City "will seek reimbursement from the previous owner of a property," which the City purchased. What modes of action are used to seek that reimbursement?

Ms. Mumma responded that the City invoices the previous property owner. Traditionally, when this occurs, the City does not have difficulty recouping the amount. It is important to ensure this occurs, because the property is in the City's name and the City does not want it to show as being delinquent. This will be pursued in the same manner as any accounts receivable item – by invoicing the property owner. If the previous owner does not reimburse the City, the matter would be pursued through legal action.

Ms. Amorose Groomes stated that the report seems to indicate that the City would seek reimbursement but is not convinced it will be received. Does the City have the expectation of receiving it?

Mr. Hartmann responded that he handled the litigation on this matter. This was a settlement for purchasing the Dale Drive properties in the area where the COTA site will be located, as well as the roadway. The City deposited the money with the Court

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with the entry to transfer the property. That entry indicates that the previous property owner shall be responsible for the taxes, and the City will petition the court to receive that money. No issue is anticipated. The amount was not determined at the time of the property transfer, so it was not possible to collect at that time.

Ms. Amorose continued:

- In Section 5, it states: *"...the Indian Run retaining wall associated with the High Street improvements to better coordinate the work with the adjacent private development. The additional \$4,863,000 being requested reflects the actual bids and the updated cost estimates for completing the roadways, required under the Development Agreement"* Did that come in significantly over budget? It is indicated that in the previous bond sale, *"...\$11.1 million have been used to fund the improvements around Block C...."* The request is for an additional nearly \$5 million.

Ms. Mumma responded that \$11.1 million was for Blocks B, C and Z, which are on the west side. Per the development agreement, the City was responsible for the cost of those roadways. There were some options within the development agreement that provided that once those were bid (they had not been bid at the time the development agreement was entered into), the City could value engineer. They could pay the amount of the bids received or some combination thereof. Value engineering did take place. Block C came in at a little over \$8 million. North High Street and the North Riverview extension were projects incorporated within the City's 2016-2022 CIP, and funding was in place for those, albeit, it was expected that future debt would be issued to do those. A portion of the \$11.1 million was used to begin the work on North High Street and the retaining wall. The North Riverview extension has not yet begun. The work on the west side came in at \$2.7 million. The remaining balance is to be used toward Block Z. It was necessary to incorporate the cost for the North Riverview Street extension, the streetscapes and the retaining wall. Much of this was for other related projects that were going to be undertaken. Anything in excess of the \$11.1 million for simply B, C and Z would be reimbursed under those minimum service payments, and/or the TIF revenues that are dedicated to repay those.

Ms. Amorose Groomes stated that bids on a couple of items came in over estimate. Is this one of those and the reason for a request to transfer \$5 million at this time?

Ms. Mumma responded that the amount also includes the additional funds for North Riverview and North High Street.

Ms. Amorose Groomes requested a breakdown on that amount for the second reading of this legislation.

Mr. McDaniel added that some of this related to construction sequencing. It was necessary to coordinate the timing on those projects to avoid going back and doing the work after Z Block was constructed.

Ms. Amorose continued:

- In Section 5, paragraph 3, is the statement that, "Funds will be advanced from the City's General Fund to the Capital Construction Fund in order to initially fund the improvements. However, as discussed during the 2016-2020 CIP, staff anticipates issuing debt for these roadway improvements." Is that additional debt that the City will issue?

Ms. Mumma responded affirmatively. As part of every CIP budget, staff proposes projects to be paid with cash and projects to be paid by issuing debt. That can change from year to year, depending on what things have been completed. The CIP budget shifts and is a fluid document. The CIP budget is approved in September, but much occurs prior to the next CIP budget process. It is evaluated annually, but those particular roadway networks were contemplated to be funded through debt.

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Ms. Amorose Groomes stated that, as the City is moving through that process, the earlier that information can be shared with Council concerning the anticipated amount of debt, the more helpful it will be.

Ms. Amorose Groomes requested explanation of the statement in Section 18 concerning the Tartan West TIF: "service payment revenue and collections generated within the TIF since its inception..." for the purpose of outside review.

Ms. Mumma stated that the Tartan West TIF is, essentially, the only residential TIF that exists in the City prior to what has been established in Bridge Street. Staff is dealing with Union County as the entity that levies the property taxes, and payments in lieu of taxes – the service payments -- due to the TIF that is in place. There have been questions raised by the developer's representatives as to the accuracy of the value placed on the properties. Generally, the City does monitor its TIF revenues. With commercial properties, it is easy to track. The City receives a list of all the valuations for every parcel within each TIF. With a residential housing development, however, there are hundreds of houses. To some extent, the City relies on the County Auditor assessing those taxes, as they do for any other property taxes. The accuracy of the amount that has been assessed by the County has been questioned. To provide an unbiased review, a third party has been engaged to work with the County Auditor; the developer has also done the same. This is meant to be an independent analysis of the County's assessment.

Ms. Amorose Groomes inquired if there have been findings.

Ms. Mumma responded that process is still underway. However, based on work done by the developer and working with the County Auditor, there were some corrections made – the City has received some of those payments. Regardless, any revenue received within that TIF goes directly into the Tartan West TIF Fund. It cannot be used for any other purpose.

Ms. Amorose Groomes asked:

- In regard to Section 28, funding would be appropriated, "*...in the Frantz Road/Dublin Road TIF for costs associated with the western roadway alignment. This project was programmed in prior year's CIP. The 2016 – 2020 CIP contemplated \$650,000 being spent in 2015 and 2016 (\$500,000 in 2015 and \$150,000 in 2016) for architectural/engineering fees. However, no funds were expended in 2015.*" Is the City seeking to re-engage that same study, and is it the same study for which Council recently reviewed the results?

Ms. Mumma responded that it is a separate study.

Ms. Amorose Groomes stated that she is not familiar with another study regarding Frantz Road and Dublin Road. The City recently completed a Frantz Road character study.

Mr. McDaniel responded that the office competitiveness study was recently completed, which has some connection to that area; it is likely the study she recalls. However, the new study is in regard to the western end of Bridge Street relative to the new interchange. It is a competitiveness study but also looks at the intersection of Frantz Road and SR 161 into the future.

Ms. Amorose Groomes noted:

- In Section 33, in regard to the Tuller TIF – the City received a bid for \$7.7 million. The budget was \$7.3 million. The bid was for \$7,711,264.50; however, "the budgeted amount for this project in the 2016-2020 Capital Improvements Program was \$7.3 million. The improvements that will be constructed as part of JSP, phase 2 include 3,100 feet of new roadway; storm sewer; AEP duct bank (reimbursable to the City); street lighting and electric; permeable pavers; brick walkway and cycle track; demolition of temporary COTA Park & Ride, and trees and planting." What portion of that is for the demolition of the Park & Ride?

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Ms. Mumma responded that she does not have that information but will provide it in a follow-up memo.

Ms. Groomes asked if the City is holding true to its numbers, because it appears that, with this bid, the cost is approximately \$2,500/linear foot for construction of John Shields Parkway. Is that cost per linear foot consistent with other phases?

Mr. McDaniel stated that staff will check into that and provide follow-up information.

Ms. Amorose Groomes thanked staff and looks forward to receiving that information for the second reading.

Mr. Reiner thanked Ms. Mumma for the information. He suggested that for efficiency reasons, the newer Council members could forward their questions to staff prior to the Council meeting.

Ordinance 25-16

Adopting the Crossroads Area Plan.

Mr. Lecklider introduced the ordinance.

Mr. McDaniel stated that the cities of Dublin and Marysville, Union County and Jerome Township, known as the US33 Innovation Corridor Group, jointly authorized the Logan/Union/Champaign County (LUC) Regional Planning Commission and Planning NEXT to conduct the Crossroads Area Plan Study. Council member Lecklider serves as Council's liaison to the US 33 Innovation Corridor Group, together with the City Manager and other members of staff. This plan is intended to build consensus among the US 33 Innovation Corridor Group members regarding land use, infrastructure and economic development for an area at the crossroads of State Route 161, Post Road, Hyland-Croy Road, and the US33/Post Road interchange. Jamie Green, Planning NEXT, previously provided Council an update on the Plan. The intent of introducing Ordinance 25-16 is to bring the draft plan forward to Council to provide an opportunity for Council to read and become familiar with it. At this time, no other jurisdiction has adopted the plan, although it is under active consideration. It is likely that staff will request Council to postpone this at the second reading, pending additional information on the review/approval progress of the other jurisdictions. There is a meeting of the Group later this week to review potential language changes. Introduction of the proposed plan tonight will also allow the public to become familiar with the Plan. Mr. Papsidero will provide highlights of the Plan.

Mr. Papsidero stated that:

- The purpose of the Plan is to develop a common vision for land use, infrastructure and economic development in the area of US33, SR161, Post and Hyland-Croy roads, which has been called the "Crossroads" in this Planning project. This joint planning is an unprecedented planning effort in the central Ohio area.
- The Innovation Corridor is driving much of the regional development in this part of central Ohio. The highlighted map sections [shown] indicate the planning area boundaries, which surround the interchange on US33 – the jurisdictions as they exist today.
- The land use policies of Jerome Township and the City of Dublin have some consistencies and overlap; in other cases, they differ. These differences were assessed as part of the planning process by the consultant working for the LUC Regional Planning Commission, which managed the project.
- A final land use map was developed as a result of the planning process, which tries to draw a consensus among the jurisdictions concerning what the future development pattern should be in the area. It is completely consistent with the City's Community Plan.

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- A “hatched” area remains on the map – the Jacquemin Farms area, on which the City and the Township were not able to reach consensus. That section of the map remains blank.
- There are eight points of agreement in moving forward as development occurs during the next few years:
 - Formalize a protocol between the Township and the City for predevelopment consultation for future development projects;
 - Create a stronger review process among the different review bodies;
 - Improve transportation infrastructure within the Corridor;
 - Create stronger development standards for the corridor, so that there is consistency across political boundaries;
 - Consider annexation boundaries, to bring some clarity to what development potential might be within the Corridor, given the different utility service areas;
 - Conduct a fiscal analysis to ensure all entities improve fiscally from future development;
 - Amend the City’s Community Plan and the Township’s Comprehensive Plan to make them consistent with this document. In terms of Dublin’s portion of the Plan, the current draft Future Land Use policy is consistent with the City’s Community Plan.
 - Continue to work on collaboration in the corridor.

Mr. McDaniel noted that there has been good cooperation between the City of Marysville, Dublin, Union County and Jerome Township. It was positive to hear Jerome Township discuss some pre-planning processes being strongly considered relative to traffic impact studies, etc., which has not been their previous practice. Hopefully, that holds true through more review of their process. Staff will continue to follow up on that.

Mr. Lecklider stated that a relationship is being built and strengthened between the City of Dublin and the City of Marysville, Union County and Mill Creek Township. There is significant development pressure in this area. This Plan is a good place to start, and it is important that Council consider adoption of the Plan. He would like the City to be more proactive in contacting the residents that have been engaged up to this point. The City should have a contact list and can certainly contact the HOAs that have been involved.

Mr. McDaniel stated that the HOAs were notified of this meeting. Staff will contact LUC to obtain a mailing list. Although this will be deferred for a later approval and public hearing, there is a need to distribute that information, including posting at the website.

Mr. Lecklider stated that during this period while the group awaits the Supreme Court’s ruling on the zoning referendum, it is important not to become lax. It is important for interested residents to know what action this Council might ultimately take with respect to adoption of the Plan.

Mr. Keenan stated that there appears to be a change in mindset. When this process began a number of years ago, there was a mindset, particularly in Jerome Township, that no one should be planning that area except them. Looking 20-50 years out, it really involves all the entities. There are competing interests that need to be included. It appears to be more inclusive at this time, which is positive progress. He is disappointed with the gas station located in front of Costco. An emphasis should be put on the traffic studies. Had that been done, there might have been a better result in that key area.

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Mr. McDaniel stated staff is recommending this ordinance be postponed on July until sometime in August. Dublin will monitor the progress of the other jurisdictions.

There will be a second reading/public hearing at the July 5 Council meeting, and the ordinance is expected to be postponed on July 5 until an August date.

INTRODUCTION/PUBLIC HEARING/VOTE – RESOLUTIONS

Resolution 38-16

Amending the Agreement for Law Director Services.

Mr. Keenan introduced the resolution.

Mr. McDaniel stated that the resolution will approve the appointment of Jennifer D. Readler as the Director of Law for the City of Dublin. Mr. Smith has served the City of Dublin and its residents as Law Director for 38 years. Staff is very proud of his history and service to the City. He added that Mr. Smith is not retiring, but will assume a different role, as a specialized legal advisor to the City.

Mayor Peterson noted that in seeking a leader, you look for a calm, steady hand. That is what Mr. Smith has provided the City for nearly four decades. We greatly appreciate his service and what he has provided to this community. Looking forward, Ms. Readler in her long-time role as Assistant Law Director has become more actively involved over the last two years. She has certainly displayed that same type of leadership and Council is confident in her ability to serve as Law Director.

Mr. Smith thanked Council for trusting their judgment over the years. He believes Ms. Readler is very prepared to serve in this role. He appreciates the opportunity to have had a full career with the City of Dublin, adding it has been an incredible experience. He encourages Council to continue working with Ms. Readler and the team of 14-15 people at their law firm that serves Dublin.

Mr. Lecklider stated Mr. Smith is not retiring; he is simply relinquishing a title. He hopes Mr. Smith will otherwise remain fully engaged. Council looks forward to that as well as Ms. Readler stepping into this role, with the support of the rest of the legal team. That team has served Dublin well over the years under Mr. Smith's leadership.

Vice Mayor Reiner thanked Mr. Smith for his years of service. He has done an admirable job guiding Council for nearly 40 years, creating one of the most interesting and successful cities in the country.

Mr. Keenan stated that it has been a pleasure to work with Mr. Smith for nearly 34 years, including the time Mr. Keenan served as Washington Township Trustee. They have worked together on many projects, and he has enjoyed that time and his counsel. He is pleased that he is not retiring, as Council will likely continue to seek his counsel on various matters.

Vote on the Resolution: Mr. Lecklider, yes; Ms. Amorose Groomes, yes; Ms. Alutto, yes; Mayor Peterson, yes; Mr. Keenan, yes; Vice Mayor Reiner, yes.

Ms. Readler thanked Council. She is proud and honored to serve as Law Director for this great City and appreciates Council's faith in her.

Resolution 39-16

Authorizing the City Manager to Enter into an Agreement with Mesh Fitness for Shared Recreation Services.

Mayor Peterson introduced the resolution.

Mr. McDaniel stated that staff is requesting postponement of this resolution. There is the opportunity to expand this agreement to include some other facilities. Mr.

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McDaniel noted that an agreement with Corazon is scheduled on the July 5 agenda. They have offered to make their indoor and outdoor pool spaces available during the shutdown of the Recreation Center. There are a couple other facilities they are considering for partnerships, as well. He anticipates the Mesh Fitness agreement will be rescheduled for the second August meeting, at the earliest.

The consensus of Council was to postpone the resolution, per Mr. McDaniel's request. The rescheduled date for this legislation will be advertised.

OTHER

- Pre-CIP Financial Overview

Mr. McDaniel stated that the budget preparation for the next five-year Capital Improvements Program is underway. Earlier this year, Council requested opportunity for input in advance of the budget process and more time for discussion on budget preparation. Accordingly, a financial update has been prepared, which is the forecast typically provided to Council at the CIP workshop in August. The following is the tentative schedule for the 2017-2021 Capital Improvements Program (CIP) consideration:

- *Monday, June 27 Council meeting* – A presentation is provided on the fiscal condition/CIP revenue projection
- *Tuesday, July 5 Council meeting* – An inventory of proposed CIP projects is provided in Council's Info Only packet, listing proposed projects related to project maintenance, construction or enhancement needs. After reviewing the list, if there are other items that Council wants to have considered in the draft CIP, please forward them to Mr. McDaniel and Ms. Mumma by July 19.
- *Wednesday, August 10 Council meeting* – Introduction of the 2017-2021 CIP ordinance, including staff's proposed CIP budget.
- *Monday, August 15 CIP workshop* – Discussion is held on the proposed CIP budget.
- *Monday, August 22 Council meeting* – Staff will provide follow-up to any issues raised by Council at the August 15 workshop.
- *Monday, September 12 Council meeting* – Second reading/public hearing of 2017-2021 CIP ordinance.

Ms. Mumma presented an overview of the resources that are available to fund the City's CIP, which ultimately become incorporated with the CIP document that is adopted by Council. This includes: cash and debt funding – both of which are funded through income tax revenue; property tax revenue; cash in the form of fund balances within the General Fund or Capital Improvement Tax Fund; TIF service payments; repayments of advances; enterprise funds; and any other funds that can be used for capital improvements.

Cash:

- This comes from the Income Tax allocation. The primary source of revenue for the CIP is the income tax revenue. In 1987, when voters approved the income tax increase from one percent to two percent, the approval included the stipulation that 25 percent of the income tax revenue would be dedicated to the CIP Tax Fund. That allocation has been in place since 1988.
- Of that 25 percent dedicated to the CIP Tax Fund, the practice has been to allocate 60 percent of that amount to fund projects by issuing debt and paying the respective debt service, while the remaining 40 percent is allocated to cash fund projects.
- Income tax revenues are very critical and are analyzed on a daily basis. Since the time of the recession in 2009, the City has experienced no decline in income tax revenue until 2015. The year over year receipts fell .32 percent. This was

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attributable to the loss of Verizon, one of the City's top employers. Based on the loss of Verizon, as well as the anticipated loss of JP Morgan Chase and Nationwide, the City's original 2015 estimate for income tax revenue reflected a 5.1 percent decrease over the 2015 actual receipts.

- However, through this past Friday, Income Tax receipts were up year-to-date 1.95 percent. She has therefore recommended that the 2016 estimated revenue be revised to show a 2.5 percent reduction over 2015 actual revenue instead of the 5.1 percent reduction. This continues to take into account the employment reductions at Chase and Nationwide, but also gives credence to the growth that the City is experiencing in other businesses. It is consistent with the City's conservative planning.
- As such, the 2016 revised estimate would be increased to \$85.59 million. Carrying forward the reduction in work force from Chase and Nationwide, staff projects a 2017 estimate that reflects a one percent decline over 2016. At that point in time, any loss of employees should have been realized, and from that point forward, a modest 1.5 percent annual increase is projected.
- These estimates will become the basis for the estimated revenue for the CIP program. Continuing to look at the 40 percent allocation to cash fund projects, the Income Tax revenue projections would result in available cash resources for projects ranging from \$8.5 million to \$9.1 million over the course of the next five years.

Debt:

- The remaining 60 percent of the Income Tax revenue is allocated for debt.
- In addition to the Income Tax revenue for debt repayment, other sources of revenue are sought. For instance, the revenue from TIF service area debt payments is used for improvements that are made within TIF areas. Enterprise revenues within the water and sewer systems are used to pay for improvements made in those areas. In the past, there has been debt that was retired by using Special Assessments levied on properties. Debt is also repaid using property tax revenue as well as hotel/motel tax revenue.
- When debt issuance is contemplated, a number of constraints must be considered.

Direct Debt:

- Direct debt limitations are imposed by the Ohio Revised Code (ORC). The General Obligation Debt, which is backed by the full faith and credit of the City, is tied to assessed valuations – the value of all the property within the City of Dublin.
- That amount of debt cannot exceed 10.5 percent of the total assessed valuation of the City. The City's unvoted net debt of the City cannot exceed 5.5 percent of the total assessed valuation. Based on an assessed value this year of over \$2 billion, the limitations would be: 10.5 percent = \$210,358,642; and 5.5 percent = \$110,187,860.
- Per the ORC, the 10.5 percent and 5.5 percent must be for "exempt" debt, or General Obligation debt that is paid for using Income Tax revenues, TIF funds, or utility revenues. The majority of the City's General Obligation debt is considered "exempt" debt, per Ohio Revised Code. As of year-end 2015, although the City had \$138,849,000 outstanding debt, only \$6 million was considered "non-exempt" for the 10.5 percent and 5.5 percent limitations. That leaves a significant amount within those direct debt limitations that is available to be issued. Within the 10.5 percent limitation, that is \$204 million of additional debt. Within the 5.5 percent limitation, it is \$110 million.

Indirect Debt Limitation:

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- This is the 10-mill limitation. The Ohio Constitution and the Ohio Revised Code stipulate that for all overlapping taxing subdivisions – Dublin City Schools, Washington Township, SWACO, the City, and each of the three counties the City lies within – the collective Debt Service cannot exceed 10 mills. This limitation is analyzed every time the City prepares to go to the bond market, as do all of the other entities. The debt of the entire group of entities cannot exceed the 10-mill limitation.
- When the City issued debt last fall, Union County was the most restrictive. Given the debt that existed within all the overlapping jurisdictions, there was approximately 2.5 mills of debt outstanding -- \$61.7 million of additional debt. That is not debt that only the City could take on; it is for all the entities. This is a fluid process. It changes each time assessed valuation in any of the jurisdictions changes and each time any of the jurisdictions issues additional debt. This is the City's most restrictive component related to debt.

Debt Service Retirement:

- Of the 25% of the Income Tax revenue that is dedicated to the Capital Improvement Tax Fund, 60 percent is allocated to retire debt service.
- Any amount not used for Debt Service can then be used for cash fund projects or to pay down additional debt. This result is approximately \$12.7 million to \$13.7 million per year over the next five years that is set aside in order to retire debt. During those years, the actual debt payments begin with \$4.3 million in 2016, increase to \$5.6 million in 2017 and decrease to \$3.7 million in 2021. This does not take into account any projected new debt the City might take on.
- Any surplus/excess that is available, after the known debt payments are subtracted, is uncommitted. That excess capacity could support ranges from \$80 million to \$112 million. This is using a conservative five percent interest rate for 20 years, the duration of time for which the City issues debt. Any debt taken on by the City reduces future excesses that could be available. Although the City's policy indicates the ability take on \$95 million of additional debt in 2016, the City is bound by the 10-mill limitation.
- The City juggles three components related to debt – direct debt limitation, the 10-mill limitation, and the City's debt retirement policy. Those numbers change consistently.

Property Tax Revenues:

- The City's assessed value for 2016 is over \$2 billion, which would result in approximately \$3.5 million per year from the 1.75 inside millage. Beginning in 2010, Council allocated .35 mills to the Parkland Acquisition Fund, with the remaining amount of inside millage allocated to the Capital Improvements Tax Fund. This translates into \$700,000 per year in revenue for parkland acquisition. Of that amount, there is an annual payment of \$385,000 to Metro Parks for Glacier Ridge Metro Park; this debt will expire in 2017. The Coffman Park debt payment comes from this, as well, and this debt will expire in 2020.
- The remainder of the \$2.8 million is in the Capital Improvements Tax Fund. Of the 1.4 mills allocated to the Capital Fund, the City has reserved .8 mills to retire debt associated with the US33/SR161/Post Road interchange. To the extent that the amount necessary to pay toward that debt can be reduced, those funds are available for cash fund projects.
- Depositing money into the Capital Improvements Tax Fund does not preclude the City from purchasing parkland. However, depositing funds into the Parkland Acquisition Fund does limit how those funds can be spent.

Cash Fund Reserves:

- These are reserves in the General Fund and CIP Tax Fund.

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- The 2016-2020 CIP proposed \$10.5 million to be used from the General Fund Reserve to fund the Mid-Century streets, a portion of the Pedestrian Bridge, and the water and sewer system extensions. In addition, advances of over \$4 million were proposed, ultimately to be repaid from TIF revenues. Over the past five years, the General Fund balance, as a percentage of expenditures, has increased significantly. Council's informal policy is that the General Fund balance should be at least 50 percent of the expenditures for the year, excluding advances.
- In August, a proposed General Fund Reserve Policy, as well as a Debt Policy, will be provided to Council for consideration. The General Fund Reserve Policy will address and formalize the 50 percent reserve requirement. It will also propose an amount in excess of 75 percent that would be transferred to the Capital Improvements Tax Fund.
- At the end of 2015, the General Fund balance was \$59 million, or nearly 98 percent of the Expenditures. That excess above the 50 percent set aside is approximately \$29.1 million. Those amounts are not cumulative. Amounts spent from the General Fund Reserve are not automatically replenished unless there are revenues exceeding expenditures in future years.
- Similarly, there are Reserves that exist in the Capital Improvements Tax Fund; however, these amounts are much lower. As of December 31, 2015, \$5.2 million was unencumbered in that fund. Any remaining Fund balance is rolled over from year to year. That reserve is used for projects that were not programmed or for change orders that occurred on projects that were underway.

TIF Service payments:

- With the creation of a TIF, the legislation requires an accompanying list of the public infrastructure improvements that will be funded using the TIF revenues. This allows the service payments to be used to fund those improvements as well as repay advances made from either the General Fund or the Capital Improvements Tax Fund.
- Because there is a healthy fund balance in the General Fund, the City has been able to proceed with projects with the expectation that as those TIF revenues are received over the course of 30 years, the City can repay the advances made from either the General or the Capital Funds.
- As approved in the 2016-2020 CIP, there were approximately \$19 million in projects for which TIF funding was proposed [list of projects shown].
- A source of revenue for the Capital Improvements Tax fund, then, is TIF advances to be repaid, as those revenues are received. Essentially, this becomes a revenue stream for the originating fund. The Capital Fund includes TIF repayments to the Capital Fund, and range from \$998,500 in 2019 to \$1.7 million in 2017. This is updated annually in the CIP budget review.

Water and Sewer Fund:

- Improvements to the City's water and sewer systems are funded from the water/sewer payments. Each year, with the CIP and Operating budget reviews, the financial status of the funds is considered. Taken into account are the extensive maintenance schedules that are conducted on the City's systems as well as any capital needs. Existing debt is taken into account, as well. The Sewer Fund, in particular, has a significant amount of debt – in excess of \$1 million for the Upper Scioto West Branch Interceptor project. This debt will be paid off in 2018.
- The rates paid by the system users finance the maintenance and the capital improvements to each of the systems. The rates for 2016-2017 were approved by Council in the fall of 2015. Staff anticipates bringing to Council proposed rates for 2018-2019 in the fall of 2017. Those rates will be take into consideration any needed improvements to the systems.

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Other Sources of Revenue:

- Other sources include: Hotel/Motel Tax Fund (pays the debt and funds improvements to the Dublin Arts Council building and public art maintenance); Permissive Fax Funds (funds improvements to specific roadways); State Highway Funds (funds improvements to specific roadways); grants; developer contributions; interest income.

All of these revenues are used to minimize the impact to Income Tax Revenues, freeing those for other purposes.

Summary of Revenues Available for Capital Improvements (Cash Funds):

- Income Tax – 40 percent allocation; debt allocation not committed; property tax revenue not allocated to parkland acquisition; repayments of advances; interest income.
- Total revenues from those funds range from \$20 million in 2017 to over \$23 million in 2021 for Cash Fund projects. This total does not include transfers from the General Fund, as will be proposed within the General Fund Policy to be proposed in August. These amounts also can shift, given the moving parts.
- Over the next month, CIP projects will be assessed to determine a workable CIP budget to recommend to Council.
- The primary funding source for Capital Improvements is the Income Tax allocation. Those are the numbers that will be seen as part of the 2017-2021 Capital Improvements Program.

Ms. Mumma requested that Council contact her should they have any questions regarding this information.

Ms. Alutto requested that a digital copy of the presentation be forwarded to Council members.

Mayor Peterson stated that Council appreciates the presentation, which was very thorough. He also appreciates the CIP schedule that was provided. The visual makes the process more efficient and effective.

Mr. Keenan stated that he concurs with having a specific date of July 19 for Council to submit additional project ideas. Typically, the program is introduced in August. It is very helpful to have this information ahead of time.

Mr. McDaniel stated Council can add any projects as desired. However, submitting the suggestions by July 19 will enable staff to include all projects within the CIP budget analysis.

Mr. Keenan noted that the CIP process is very fluid – and projects are moved back and forth. When he began serving on Council 12 years ago, a new City Hall building was programmed. But that project was deferred because Council considered some other projects higher priority, and the City Hall project still has not occurred. He believes Council made the right decisions along the way, because the projects that were moved forward, including infrastructure, have enabled the City to become what it is today.

Vice Mayor Reiner requested more information about how infrastructure maintenance is scheduled in future CIPs.

Ms. Mumma responded that, traditionally, maintenance-type projects cannot be funded from debt. Debt is reserved for projects that meet the definition for capital improvements. That leaves the 40 percent that is allocated for Cash Fund projects for, at a minimum, maintenance-related projects. This year, staff is taking a different approach for outlining projects. Maintenance projects will be separated from new enhancement or new improvement projects. Delineating them in this way will enable Council to see more clearly what improvements are needed to maintain the City. The

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City has invested significant funding in infrastructure, but given much of it is now 20-30 years in age, maintenance is needed.

Mr. McDaniel stated that previously, the CIP budget had categories that identified projects by "Major" and "Non-Major." The new format will group projects by other categories – Parks and Recreation, Transportation, Bridges/Culverts and by Maintenance, New Construction or Enhancement.

STAFF COMMENTS

Mr. McDaniel:

1. Requested Council direction in follow up to the memo provided in the packet about the SR161/Riverside Drive Roundabout. It will be a larger roundabout, in terms of number of lanes, than the public is accustomed to, and the City will be launching a significant education campaign for users. Council had expressed earlier interest regarding a celebration for the roundabout opening, including a suggestion for a street festival. Staff has provided some ideas and options and included a recommendation. Council's feedback is welcome, either tonight or at a later date.

Mayor Peterson inquired if the basic distinction of the options is to either shut down the intersection for a celebration ceremony or have a celebration at the nearby Shoppes at River Ridge.

Mr. McDaniel responded that is the fundamental difference.

Mr. Keenan stated that he does not believe the roadway should be closed. That would be a logistical nightmare, which he is certain the Police Chief would not advocate.

Ms. Amorose Groomes responded that she believes the best celebration would be to let people use the road!

Mr. McDaniel agreed. It is counter intuitive to "shut down" the road to celebrate the road "opening." He wanted to clarify Council's preference. He summarized that the preferred option is to hold a celebration using the Shoppes of River Ridge as the logistical point of reference.

2. Congratulated Ms. Mumma and the Finance team for the great audit report the City received -- the cleanest audit report that can be received. The City also received the "Distinguished Budget Presentation" award for the 2016 Operating Budget, given by the Government Finance Officers Association (GFOA).
3. Thanked residents for their positive and informative feedback to the Police Survey. Kudos to the Police Department for the results!
4. Stated that the City's Fleet Operation was named "18th Best Fleet in the Country," among public fleets. It is an incredible honor to receive in view of the fact that Dublin was competing with some of the larger cities in the country. Kudos to Mr. Syler and his team!
5. Recognized Officer Paul Burkes, who received a "Crisis Intervention Team Officer of the Year" award for the State of Ohio. Recognition for that on a statewide basis is significant.
6. Recognized Ms. Nardecchia, who received the "Outstanding Volunteer Administrator" award from the national professional association.
7. Stated that a proposed "General Fund Balance and Debt Policy" will be provided at the August 10 Finance Committee meeting. In place of the usual presentation, the Financial Update will be provided as a staff report, so that there is more time to discuss the proposed policy.

Mr. Keenan, Finance Committee Chair, stated that he has vetted that agenda topic with the other committee members, who concur.

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COUNCIL COMMITTEE REPORTS

[There were no committee reports.]

COUNCIL ROUNDTABLE

Ms. Amorose Groomes reported that:

1. She attended the Tantrum Theater performance on June 18. The quality of the performance was impressive! She is looking forward to subsequent performances.
2. Attended the June 20 ribbon cutting of the new location for the Sisters Sweet Shoppe. She was encouraged by the manner in which they have utilized their outdoor space. They were very complimentary to staff and everyone who worked on their project. She encourages everyone to visit them.
3. During her service on the Planning and Zoning Commission, she recalled that The Grand was approved. Recently, she attended the Business After Hours event, held at The Grand. The project has turned out very nice and the event was well attended.
4. Congratulated the Dublin Kiwanis for hosting a great Frog Jump this past Saturday for the community. There were many activities for children.

Ms. Alutto:

1. Congratulated the City of Columbus for receiving the "Smart City" award, which is significant for the region, as well.
2. Wished the Dublin Board of Education well in their search for a new treasurer for Dublin Schools.
3. Echoed Ms. Amorose Groomes' comments on the Tantrum Theater. The June 18 performance was outstanding. It was her husband's first musical performance, which he really enjoyed! She encouraged everyone to attend the next performance.

Mr. Keenan:

1. Wished Ms. Alutto "Happy Birthday!"
2. Stated that he had to leave the June 20 work session early to catch a flight and missed the discussion on the Scioto River Pedestrian Bridge. He requested an update on the direction subsequent to that meeting.

Mr. McDaniel responded that staff is preparing a written update and hopes to have it completed for Council's July 5 meeting. If it is not ready for that meeting, staff will forward the reports to Council later in July.

Mr. Keenan inquired about the design and construction timeframes.

Mr. McDaniel responded that he cannot respond to that question until he receives more information.

Mr. Lecklider congratulated staff on the many awards and recognitions recently received. Given the volume, the recognition in meetings may seem routine, but these achievements are not earned without significant effort, energy and dedication. Council appreciates this!

Mr. Reiner concurred with the accolades to the Tantrum Theater performance. One does not need to go to New York to experience fantastic theater performance! It was off-Broadway quality, and these types of performances will be continued here in Dublin! Anyone who has the opportunity should see the next production. He was impressed to see something of that quality in a small theater, which enabled the audience to be in close proximity to the performers.

Mayor Peterson echoed fellow Council members' congratulations to staff for the many awards and recognitions. He added that:

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- The City's Division of Community Relations was honored by the Ohio Senate for "tremendous attainment" in receipt of the PRSA PRism Awards in May.
- Last week he attended a luncheon where Dublin City Manager Dana McDaniel was honored by The Ohio State University Alumni Association. Anyone who has not had the opportunity to hear Mr. McDaniel present at an event should take the next opportunity to do so. It was apparent that Dublin has a calm, steady hand running the City! He was very proud of Mr. McDaniel, the City and the presentation. He makes it look effortless, but he has an entire lifetime of public service! Congratulations to Mr. McDaniel!

ADJOURNMENT

The meeting was adjourned at 8:25 p.m.

Mayor – Presiding Officer

Clerk of Council