



Office of the City Manager
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Memo

To: Members of Dublin City Council
From: Dana L. McDaniel, City Manager 
Date: July 27, 2017

Initiated By: Angel L. Mumma, Director of Finance
David J. Gaines, Deputy Director of Finance
Melody Kennedy, Budget Manager

Re: Ordinance No. 42 -17 - Amending the Annual Appropriations for Fiscal Year Ending December 31, 2017

Background

Ordinance No. 42-17 amends the annual appropriations for the fiscal year ending December 31, 2017 in the General Fund and in various other funds to provide sufficient funding in certain budget accounts.

Section 1 requests a total of \$22,929,500 in funding authorization in the General Fund. Of that amount, \$229,000 is being requested by Building Standards. \$75,000 is for building inspection services, and \$154,000 is for plan review services. This request is based on increased construction activity, mainly in the Bridge Street District. This year through May, Building Standards reported an 11% increase in building permits issued from the same time last year; a 15% increase in trade permits issued from the same time last year; and a 41% increase in residential dwelling unit permits issued from the same time last year. The increase in building permits and residential dwelling permits contribute to the real increase in overall "outside" plan reviews, which attests to the necessity for the requested increase for the plan review and building inspection services. These expenditures are offset by revenue generated by permit fees.

Also requested in Section 1 is funding authorization for \$13,000 in the land and land improvement account for work to be completed in the cemetery. The funding is necessary for fence and stone wall repairs (\$2,000), headstone repairs (\$10,000), and planting of annuals/perennials and trees (\$1,000).

Section 1 also requests a total of \$22,687,500 for advances. Of that amount, \$22,237,500 is requested for an advance from the General Fund to the Capital Construction Fund for the construction of the Scioto Pedestrian Bridge. Section 5 also appropriates approximately \$22 million dollars for construction payments for the project from the Capital Construction Fund. This advance from the General Fund will be repaid when debt proceeds are received in August 2017.

Additionally, \$450,000 is requested for an advance to the Employee Self Insurance Fund to cover health and administrative expenditures of the Fund. This advance will be repaid as the Employee Self Insurance Fund continues to receive bi-weekly deposits that occur in conjunction with payroll.

Initiating Department: Department of Finance (Section 1)

Section 2 requests \$66,700 in funding authorization in the Hotel/Motel Tax Fund. Of that amount, \$200 is to cover the increase in the cost estimate provided to the City by Dunbar Armored Inc. The Finance Department uses the armored car service during the City's Irish Festival weekend to

safeguard bank deposits.

A total of \$66,500 is requested for funding art projects. \$20,000 is allocated to artists Walter Herrmann and Christian Kuharik for construction of a sculptural harp created in celebration of 30 years of the Dublin Irish Festival. The ceramic harp (with brass bars as strings) will be installed by August 4, 2017. \$46,500 is requested for the Dublin Arts Council for public art and the environmental ceramic art exhibition by artist Ikuzo Fujiwara. This includes shipping of the artwork to and from Japan for the exhibition, and the pieces that are being purchased by the City.

Initiating Departments: Department of Finance, City Manager's Office, and Parks & Recreation - Events Administration (Section 2)

Section 3 requests \$18,561.75 in funding authorization in the Law Enforcement Trust Fund to pay fees to other parties related to the forfeiture of assets seized in the course of Police investigations. These fees cover court costs paid to the Franklin County Common Pleas Court, as well as publication fees and a percentage of seized assets paid to the Franklin County Prosecutor's Office. These costs are offset by revenue posted to the City's treasury from seizure of assets.

Initiating Departments: Department of Finance, and Police (Section 3)

Section 4 requests \$401,100 in funding authorization in the Capital Improvements Tax Fund. Of that amount, \$12,000 is for the acquisition of .004-acres of right-of-way and .032-acres of temporary easement (for a two-year period) from 84 High Company, Ltd., as approved in Ordinance 49-16 for the public purpose of widening N. High Street in the downtown Dublin area.

Section 4 also requests funding authorization of \$380,000 for the connectivity and power in Coffman Park, to install permanent power and internet accessibility to the south area of the Park. \$28,000 is for design services, and additional fees of \$32,000 for bidding services and construction (project) overview. \$320,000 is needed for construction costs, which also include permanent lighting for the Park. This project will ensure more stable power and connectivity for the Dublin Irish Festival, and will save an estimated \$20,000 in temporary service costs.

Also requested is funding authorization of \$8,100 for professional services for Burgess & Niple related to the US33/SR161/Post Road Interchange Plan Update. The project contract exceeded the original project budget by more than is being requested. However, there may be savings from other projects that will cover the difference. Staff is monitoring this account, and will bring additional funding requests to City Council prior to year-end if necessary.

Initiating Departments: Department of Public Works and Parks & Recreation - Events Administration (Section 4)

Section 5 requests funding authorization of \$22,224,570 in the Capital Improvements Construction Fund. Of that amount, \$98,000 is for coordination of the design and construction process of the Historic District CML Parking Deck project with McCarthy Consulting LLC, and \$22,126,570 is funding for the Scioto River Pedestrian Bridge construction with the Kokosing Construction Company as approved per Resolution 22-17. The City's Five-Year Capital Improvements Program included funding of \$22,750,000 for this project. Funding for the Scioto River Pedestrian Bridge will be through issuance of long-term bonds. Prior to bond sale, the funding needed to meet expenditures will be advanced from the City's General Fund, and the advance will be repaid with bond proceeds that will be received in August. The General Fund advance is reflected in Section 1

of the Ordinance and this memo.

Initiating Department: Department of Public Works (Section 5)

Section 6 requests funding authorization in the Upper Metro Place TIF Fund to pay for the expenditures for the 270/33 Interchange Project in the amount of \$22,707,205. The City issued a State Infrastructure Bank (SIB) Loan through ODOT in 2015. The total loan was issued by the City. However, there is a portion of the loan for which the City is responsible for repaying the principal and interest, and a portion for which Mid-Ohio Regional Planning Commission (MORPC) is responsible for repaying the principal. The City will pay MORPC's portion of the interest. ODOT is distributing the loan proceeds for both portions directly to the contractor to pay for the project. ***Even though the City is not receiving or distributing cash, it is required to record the on-behalf payments submitted by ODOT on its books.*** The amounts paid to the contractor represent proceeds of the SIB loan and capital outlay expenditures. The net effect on fund balance will be zero but the on-behalf payments must be recorded in revenues and expenditures. Also, the proceeds of the loan should be reflected in the amended certificate as estimated revenue. The expenditures should be appropriated and reflected in the budget of the fund. This treatment follows accounting guidance issued by the Auditor of State.

Section 7 requests funding authorization to transfer funds from the Kroger Centre TIF Fund to the Debt Service Fund to pay debt payments for Emerald Parkway. Receipts to the Fund are from service payments from the Tax Increment Financing (TIF) District.

Initiating Department: Department of Finance (Sections 6 and 7)

Section 8 requests funding authorization in the Bridge Street District TIF Fund to make the City's annual payments to the Dublin City School District (\$1,500,000) and Tolles Technical Center (\$37,000) per the cooperative agreement signed with these entities in 2014 (Ordinances 20-14 and 45-14). Per the agreement, these payments will be paid over a 33-year period in exchange for the City's ability to establish Tax Incentive Districts, including Tax Incremental Financing Districts within the Bridge Street District BSD.

Additionally, funding authorization in the Bridge Street TIF Fund is requested for \$36,000 to fund an addendum to the Moody Nolan contract for the Historic District CML Parking Deck project. The addendum is needed due to the extended schedule for Basic Site Plan submission, including and coordinating the book drop and the extra preparation and meetings required to coordinate with the Columbus Metropolitan Library (CML). Additional funding is needed for the completion of the Basic Site Plan process and the Final Site Plan review.

Initiating Departments: Department of Finance and Department of Public Works (Section 8)

Section 9 requests funding authorization of \$3,500 from the Vrable TF Fund to cover the costs of the County Auditor's deductions for the year. These are fees paid to the County for their work in preparing and distributing the City's semi-annual property tax apportionment.

Initiating Department: Department of Finance (Section 9)

Section 10 requests funding authorization of \$3,600 from the West Innovation District TIF Fund to cover the costs of County Auditor's deductions for the year.

Section 10 also requests funding authorization for a \$3,200 addendum to the AEP agreement for work done at Crosby Court to bury the overhead electric lines along SR 161. The appropriation is necessary to comply with Ohio Revised Code and the way the addendum was posted to the City's ledger; however, the City contested the invoice since the work performed by AEP was not pre-approved by the City and exceeded the contract amount. As a result, the City received a \$3,200 credit from AEP. Despite the credit, the City's ledger must still reflect the initial outlay.

Section 11 requests funding authorization from the Tuller TIF Fund in the total amount of \$1,900,000. Of that amount, \$15,000 is to cover costs associated with EMH&T's work on engineering and design for John Shields Parkway. \$1,885,000 is for funding the City's contribution to the Tuller Flats Development, specifically for the construction of McCune Avenue, Watson Street and Deardorf Street, pursuant to Ordinance No. 39-15. The City's contribution is limited to \$2.5 million; however, it is anticipated at this time that the expense will be \$1,885,000.

Initiating Departments: Department of Finance and Department of Public Works (Sections 10 and 11)

Section 12 requests funding authorization for \$1.19 from the Sewer Fund for a transfer of funds to the Sewer Construction Fund in order to close-out the project.

Sections 13 and 14 request funding authorization for the Agency Fund and the COIRS Fund. These are Funds where assets are held for distribution by the City as an agent for another entity for which the City has custodial responsibility. For this reason, the Agency Funds and the COIRS Fund are considered clearing accounts, do not provide measurement of operations, and are not required to be budgeted. However, the City prefers to monitor the accounts and, to the extent possible, eliminate deficit balances. Therefore, supplemental amounts are requested as shown in the accompanying Ordinance. All payments made from the accounts within the Agency Fund and COIRS Fund have revenue to offset the expenses with no net impact to the City's financial balance.

Initiating Department: Department of Finance (sections 12, 13, and 14)

Additionally, upon the recommendation of the City's external auditors, as part of this Ordinance, a new "Whereas" clause (highlighted in blue ink) has been added. By way of background, the City transfers money from the Capital Improvement Tax Fund and various TIF funds to one of three bond retirement funds, where all the City's debt service is paid from. Through the original annual appropriation ordinance or subsequently through ordinances amending the annual appropriations, funding has been appropriated in a line item titled "Transfer." However, the auditors have indicated that approval is actually needed to conduct the transfer; that the appropriation to the "Transfer" account is not sufficient. Therefore, this new "Whereas" clause has been added to provide authorization to conduct the transfer if the funds are appropriated. Staff has determined that it is in the best interest of the City to include this language with every appropriation ordinance, even if funding for a transfer is not being requested, simply to ensure that it is never overlooked. The auditors have determined the addition of this clause provides the proper authorization necessary.

Recommendation

Staff recommends that City Council approve Ordinance 42-17, amending the Annual Appropriations for the Fiscal Year Ending December 31, 2017, at the second reading/public hearing on August 14, 2017.

**AN ORDINANCE AMENDING THE ANNUAL APPROPRIATIONS
ORDINANCE FOR THE FISCAL YEAR ENDING DECEMBER 31, 2017**

WHEREAS, the Ohio Revised Code requires, when necessary, amendments to the annual appropriations ordinance be made in order that appropriations are not over expended; and

WHEREAS, it is necessary to amend the annual appropriations ordinance to provide funding in certain budget accounts; and

WHEREAS, at the beginning of each year, it is necessary to appropriate unencumbered balances in various funds to authorize those funds for debt payments, project-related expenditures and other miscellaneous expenses; and

WHEREAS, if any funding is appropriated herein to provide for transfers or advances for debt service, the debt transfer is also authorized as a part of this ordinance.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Dublin, State of Ohio, _____ of the elected members concurring, that:

Section 1. There be appropriated from the unappropriated balance in the General Fund the amount of \$22,929,500 as follows:

<u>Building Standards</u>		
10120730-712004	Building Inspection Services	\$ 75,000
10120730-712003	Plan Review	\$ 154,000
<u>Parks Operations</u>		
10180430-735001	Land and Land Improvements	\$ 13,000
<u>Advances</u>		
10197290-742404	Advance to Capital Construction	\$22,237,500
10197290-742701	Advance to Employee Self Insurance	\$ 450,000

Section 2. There be appropriated from the unappropriated balance in the Hotel/Motel Tax Fund the total amount of \$66,700. Of that amount, \$200 is to be allocated to account 23240210-713005 for additional miscellaneous contractual services; \$66,500 to account 23240410-751003 for art projects by artists Ikuzo Fujiwara, and Walter Herrmann/Christian Kuharik.

Section 3. There be appropriated from the unappropriated balance in the Law Enforcement Trust Fund the amount of \$18,561.75 to be allocated to account 24250820-713005 to pay fees to other parties related to the forfeiture of assets seized in the course of Police investigations.

Section 4. There be appropriated from the unappropriated balance in the Capital Improvements Tax Fund the total amount of \$401,100. Of that amount, \$12,000 is to be allocated to account 40180430-735001 for right-of-way acquisition from 84 High Company, Ltd. (Ordinance 49-16) for the public purpose of widening N. High Street (ET17D); \$380,000 is to be allocated to account 40180610-732000 for Coffman Park connectivity and power; and \$8,100 is to be allocated to account 40180320-735004 for professional services for Burgess & Niple for the US33/SR161/Post Road Interchange Plan Update (ET003).

Section 5. There be appropriated from the unappropriated balance in the Capital Improvement Construction Fund the amount of \$22,224,570.

- \$98,000 is to be allocated to account 40480320-713004 for the CML parking deck coordinating design and construction with McCarthy Consulting LLC (ET16K).
- \$22,126,570 is to be allocated to account 40480320-735006 for the Scioto River Pedestrian Bridge construction project (GR132) with Kokosing Construction Company, approved per Resolution 22-17.

Section 6. There be appropriated from the unappropriated balance in the Metro Place TIF Fund the amount of \$22,707,205 allocated to account 43280320-735004 for expenditures related to the construction of the I-270/US33 interchange project (ET141).

Section 7. There be appropriated from the unappropriated balance in the Kroger Centre TIF Fund the amount of \$97,238 to be allocated to account 45496290-741000 for transfer to debt service.

Section 8. There be appropriated from the unappropriated balance in the Bridge Street District TIF Fund the total amount of \$1,573,000. Of that amount, \$1,537,000 is to be allocated to account 45710210-719006 for contractual obligations to Tolles Technical Center and the Dublin City School District per Ordinances 20-14 and 45-14, and \$36,000 is to be allocated to account 45780350-735002 for an addendum to the Moody Nolan contract for the Historic District CML Parking Deck project (ET16K).

Section 9. There be appropriated from the unappropriated balance in the Vrable TIF Fund the amount of \$3,500 to be allocated to account 45810290-711001 for County Auditor deductions (fees).

Section 10. There be appropriated from the unappropriated balance in the West Innovation District TIF Fund the total amount of \$6,800. Of that amount, \$3,600 is to be allocated to account 45910290-711001 for County Auditor deductions (fees), and \$3,200 is to be allocated to 45980320-735006 for AEP utility work.

Section 11. There be appropriated from the unappropriated balance in the Tuller TIF the amount of \$1,900,000. Of that amount, \$15,000 is to be allocated to account 46180320-713004 for other professional services related to engineering and design by Evans, Mechwart, Hambleton & Tilton, Inc. (EMH&T) for John Shields Parkway phase 2 (ET149), and \$1,885,000 is to be allocated to 46180320-735004 for funding the City's contribution to the Tuller Flats Development per Ordinance 39-15.

Section 12. There be appropriated from the unappropriated balance in the Sewer Fund the amount of \$1.19 to be allocated to account 62096290-741000 for transfer to the Sewer Construction Fund.

Section 13. There be appropriated from the unappropriated balance in the Agency Fund (a fund to account for assets held by the City as an agent) the total amount of \$130,500. Of that amount, \$100,000 to be allocated to account 80510210-755005 for conditional occupancy refunds; \$30,000 is to be allocated to account 80510210-755014 for remittance of fees for school programs; and \$500 is to be allocated to account 80510210-755015 for remittance of a vendor bond for seasonal business.

Section 14. There be appropriated from the unappropriated balance in the COIRS Fund (a fund to account for assets held by the City as an agent for the Central Ohio Interoperable Radio System) the amount of \$578,475 to be allocated to account 80710210-731000 for equipment purchased from Motorola.

Section 15. This ordinance shall take effect and be in force in accordance with Section 4.04(a) of the Revised Charter.

Passed this _____ day of _____, 2017

Mayor – Presiding Officer

ATTEST:

Clerk of Council

RECORD OF ORDINANCES

Ordinance No. 42-17

Passed _____, 20____

AN ORDINANCE AMENDING THE ANNUAL APPROPRIATIONS ORDINANCE FOR THE FISCAL YEAR ENDING DECEMBER 31, 2017

WHEREAS, the Ohio Revised Code requires, when necessary, amendments to the annual appropriations ordinance be made in order that appropriations are not over expended; and

WHEREAS, it is necessary to amend the annual appropriations ordinance to provide funding in certain budget accounts; and

WHEREAS, at the beginning of each year, it is necessary to appropriate unencumbered balances in various funds to authorize those funds for debt payments, project-related expenditures and other miscellaneous expenses; and

WHEREAS, if any funding is appropriated herein to provide for transfers or advances for debt service, the debt transfer is also authorized as a part of this ordinance.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Dublin, State of Ohio, _____ of the elected members concurring, that:

Section 1. There be appropriated from the unappropriated balance in the General Fund the amount of \$22,929,500 as follows:

Building Standards

10120730-712004	Building Inspection Services	\$ 75,000
10120730-712003	Plan Review	\$ 154,000

Parks Operations

10180430-735001	Land and Land Improvements	\$ 13,000
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Advances

10197290-742404	Advance to Capital Construction	\$22,237,500
10197290-742701	Advance to Employee Self Insurance	\$ 450,000

Section 2. There be appropriated from the unappropriated balance in the Hotel/Motel Tax Fund the total amount of \$66,700. Of that amount, \$200 is to be allocated to account 23240210-713005 for additional miscellaneous contractual services; \$66,500 to account 23240410-751003 for art projects by artists Ikuzo Fujiwara, and Walter Herrmann/Christian Kuharik.

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RECORD OF ORDINANCES

Ordinance No. 42-17

Passed Page 2 of 2, 20

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Section 12. There be appropriated from the unappropriated balance in the Sewer Fund the amount of \$1.19 to be allocated to account 62096290-741000 for transfer to the Sewer Construction Fund.

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Section 15. This ordinance shall take effect and be in force in accordance with Section 4.04(a) of the Revised Charter.

Passed this _____ day of _____, 2017

Mayor – Presiding Officer

ATTEST:

Clerk of Council