

To: Members of Dublin City Council

From: Megan O'Callaghan, City Manager

Date: November 8, 2022

Initiated By: Matthew L. Stiffler, Director of Finance
Jaime Hoffman, Deputy Director of Finance
Melody Kennedy, Budget Manager
Meghan Murray, Financial Analyst

Re: Ordinance 67-22 – Amending the Annual Appropriations for Fiscal Year Ending December 31, 2022 (Q4)

Summary

Ordinance 67-22 amends the annual appropriations for the fiscal year ending December 31, 2022 to provide supplemental funding for the fourth quarter of 2022. The following sections provide descriptions of the appropriations contained within the Ordinance and the reason for the request. Details of the budget requests are as follows:

Section 1 requests funding authorization in the General Fund:

Income Tax Refunds

Budget authorization in the amount of \$600,000 is requested for income tax refunds. As the extension deadline for annual returns has passed, the Division of Taxation is now seeing an increased amount of individual refunds, both from non-residents working from home or days spent working out of Dublin. Additionally, there has been an increase in resident refunds resulting from over-estimates.

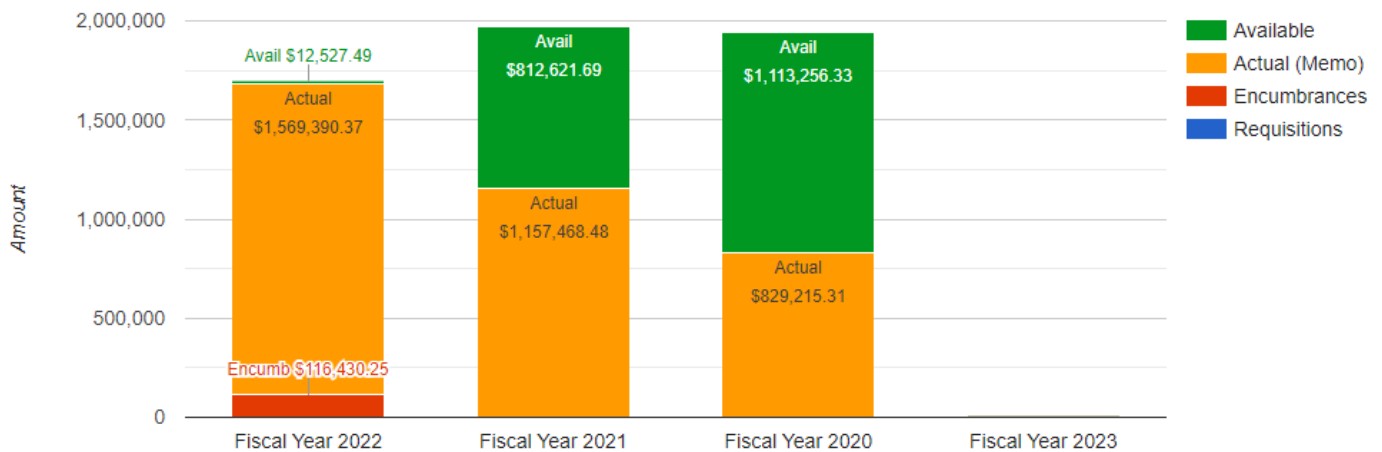
The tax refund original budget amount for 2022 was \$5,210,000, but due to the large amount of work-from-home refunds processed during the year, another \$400,000 supplemental appropriation was authorized in Q3 for a total revised budget of \$5,610,000. As of October 19, 2022, the Division of Taxation has processed \$5,433,292 in refund returns; leaving roughly \$176,700 in the budget to process refunds through the remainder of 2022. As of October 20, 2022 there are approximately \$340,700 pending tax refunds of which \$226,300 are allocated for individual returns, and \$114,400 for net profit refunds. Sufficient budget authorization does not exist to process those refunds currently due, let alone the anticipated \$175,000 refunds due in November and December. There is also the possibility of additional net profit refunds once the State of Ohio processes the October State Opt-in filings, which are not reported to Dublin until early December. Based on these facts, the Division of Taxation is requesting a supplemental appropriation budget increase in the amount of \$600,000. Any un-used budget for tax refunds will lapse at year-end.

Fuel

Budget authorization in the amount of \$150,000 is being requested in Fleet Maintenance to cover the cost of fuel through year-end. The City purchases gasoline and diesel through the Central Ohio Farmers Co-Op Inc. As of November 2, 2022 the City has spent roughly \$1.57 million in fuel (gasoline, diesel and Compressed Natural Gas (CNG)), and received reimbursements of approximately \$740,000 from fuel sales (fuel reimbursement plus surcharge) to Washington Township, IGS and the Dublin City School District.

The cost of diesel has significantly increased during the past few months. This time last year, diesel was roughly \$3.25/gallon (including applicable taxes). As of October 2022, the price of diesel was \$5.35/gallon (including applicable taxes). Last year in November and December, the City expended over \$233,000 to purchase fuel. As of November 2, 2022, there is \$116,430 in encumbrances in the fuel account and roughly \$12,500 un-encumbered and available for use.

Fuel Expenditures – Fiscal Year 2020 through November 2, 2022



Due to the increasing price of fuel, which is projected to stay high during Q4 (2022) by the US Energy Information Administration, the Division of Facilities and Fleet Maintenance is requesting a \$150,000 supplemental appropriation to cover costs through December 31, 2022. Any un-used budget for fuel will lapse at year-end.

Transportation & Mobility

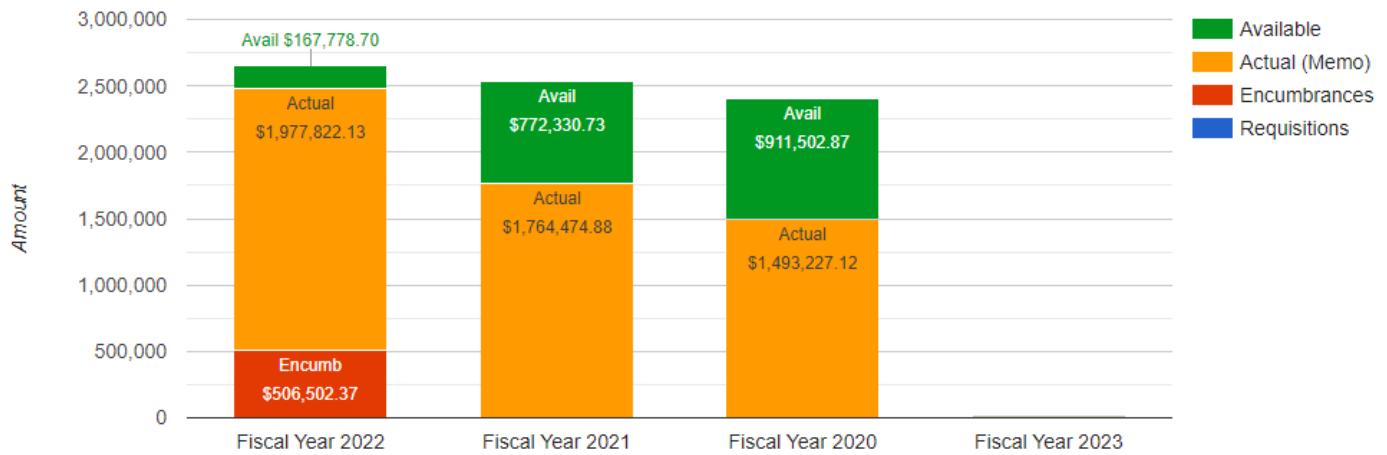
The Division of Transportation & Mobility is requesting a transfer in the amount of \$95,000. City Council authorization is necessary due to the movement of funds crossing between two different work areas in Transportation & Mobility. The budget is being transferred from available funds in the general maintenance (sirens and street lighting) accounts to a professional services line item account. There is no budgetary impact with regard to this transfer as the increase in appropriations in the professional services account will be fully off-set by a reduction to the general maintenance account. The funds will be utilized to encumber a contract for the SR 161 East Corridor Visioning Study.

Utilities – Facilities and Parks Operations

The City's utilities include water, sewer, gas and electric for the City's buildings, parks, traffic and street lights, warning sirens, and outdoor swimming pools. As of November 2, 2022, the City has expended \$1.978 million in total utility costs. That amount exceeds the total 2021 calendar year spending which was \$1.764 million. The rising utility bills are being driven by the surge in the price of natural gas, which generates about 40% of the United States' electricity. Due to the rising costs, American Electric Power (AEP) increased its rates in June 2022 by roughly 2 cents per kilowatt hour, with another increase expected in May 2023.

Rate increases along with additional park amenities have resulted in the need for increased funding for the City's utilities. Funding authorization in the total amount of \$150,000 is requested to cover utility costs for the City's buildings and parks through the end of the year. Any un-used budget for utilities will lapse at year-end.

Utility Expenditures – Fiscal Year 2020 through November 2, 2022



Section 2 requests funding appropriation authority for Franklin County Auditor’s Deductions (fees) for Funds as listed in section 2 of the Ordinance. This request will cover the fees collected by the County Auditor to pay their administrative costs in distributing the City’s real estate tax appropriation sheet. In several cases, the increase in County Auditor deductions was related to the property owner remitting their real estate tax payments past the Auditor’s due date. In the remaining Funds, the service payments were higher than anticipated causing the related Auditor deductions to exceed the budgeted amounts.

Initiating Department: Finance (Section 2)

Section 3 requests funding authorization in the amount of \$78,000 in the Rings/Frantz TIF Fund for costs related to the Avery Road and Rings Road – Cara Road Interim Intersection Improvements Project. This covers a professional services contract addendum to provide engineering services. Additional work includes the extension and connection of proposed pedestrian facilities to existing facilities or logical termini; revision of plan to full depth replacement of Cara Court and Cara Road; Rings Road utility revisions; additional field surveys; preparation of structural hydraulic report; structural design and plan preparation, and preparation and update of detailed plans.

Initiating Department: Public Works (Section 3)

Section 4 requests funding appropriation authority in the Bridge Park Block Z TIF Fund in the amount of \$110,173, and in the Bridge Park Incentive District Fund in the amount of \$2,965,912 for contractual obligations as specified in the Bridge Park Development Agreement. The service payment revenue is distributed according to the development agreement. These service payments will be used to pay-off the debt service associated with public roadway improvements, parking garages and community facilities. There is off-setting revenue for all disbursements requested in this section.

Section 5 requests funding appropriation in the Sewer Construction Fund in the amount of \$7,500 to cover bank fees to US Bank for debt payments. The City budgeted an estimate for these fees in the 2022 Operating Budget, however the bank fees are more than anticipated due to the new-money sewer debt issued in 2022.

Section 6 requests funding authorization in the Fiduciary Funds. As City Council is aware, these are funds held for distribution by the City as an agent for another entity for which the City has custodial responsibility. For this reason, these Funds are considered clearing accounts and 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. All payments made from these accounts within the Fiduciary Funds have revenue to offset the expenses with no net impact to the City's financial balance.

The Central Ohio Interoperable Radio System (COIRS) approved two resolutions that need inclusion in the 807 Fund:

- An authorization of \$15,000 for the completion of all legal work related to the Huntley Tower site land utilization agreement.
- An authorization of \$5,000 for unexpected repairs on generators, and to cover maintenance expenses through year-end 2022.

Initiating Department: Finance (Sections 4, 5 and 6)

Recommendation

Staff recommends City Council approval of Ordinance 67-22, amending the Annual Appropriations for the Fiscal Year Ending December 31, 2022, at the second reading and public hearing of the Ordinance on December 5, 2022.

Exhibit A

Ord. Section Q4	Fund	Fund Description	(4) Beginning Cash Balance as of 1/1/2022	(5) Supplemental Appropriations Ord No. 03-22	(5) Supplemental Appropriations Ord No. 08-22	(6) Supplemental Appropriations Ord No. 18-22	(7) Supplemental Appropriations Ord No. 22-22	Supplemental Appropriations Request (Q1) Ord No. 04-22	Supplemental Appropriations Request (Q2) Ord No. 19-22	Supplemental Appropriations Request (Q3)	Supplemental Appropriations Request (Q4)	(1) Budgeted Appropriations as of 1/1/2022	(1) Encumbrances as of 1/1/2022	(2) Budgeted Revenues as of 1/1/2022	(2) Increases/ Reduction of Budgeted Revenues Q4	(3) Ending Cash Balance After Supplemental Appropriations as of 1/1/2022
1	101	General Fund Special Assessment Bond	\$ 57,485,989	\$ -	\$ -	\$ 8,000,000	\$ 5,155,000	\$ (2,368,339)	\$ -	\$ (2,141,846)	\$ 900,000	\$ 86,339,900	\$ 4,122,792	\$ 83,077,960	\$ -	\$ 40,556,442
2	322	Retirement	\$ 133,227	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ 133,027
2	419	Thomas/Kohler TIF	\$ 2,973,761	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 325,000	\$ 275	\$ 812,000	\$ 169,016	\$ 630,000	\$ -	\$ 2,297,470
3	433	Rings/Frantz TIF	\$ 2,162,634	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,000	\$ 756,500	\$ 144,933	\$ 450,000	\$ -	\$ 1,633,200
2	436	Historic Dublin Parking TIF	\$ 24,148	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 575	\$ 76,500	\$ -	\$ 65,000	\$ -	\$ 12,073
2	453	Dublin Methodist Hospital TIF	\$ 972,318	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,325	\$ 1,850	\$ -	\$ 140,000	\$ -	\$ 1,093,143
2	459	West Innovation TIF	\$ 2,640,295	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 6,670	\$ 4,413,500	\$ -	\$ 3,300,000	\$ -	\$ 520,125
4	468	Bridge Park Block Z TIF	\$ 146	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,078	\$ 150,000	\$ -	\$ 150,000	\$ 111,935	\$ 3
4	474	Bridge Park Incentive District	\$ 267	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,245,618	\$ 70,350	\$ -	\$ 70,350	\$ 3,245,355	\$ 4
5	623	Sewer Construction Fund	\$ 4,140,041	\$ 6,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,500	\$ 2,472,500	\$ 67,677	\$ 4,475,000	\$ -	\$ 67,364
6	807	COIRS	\$ 470,525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,757	\$ -	\$ 20,000	\$ 1,368,535	\$ 11,725	\$ -	\$ 1,269,757	\$ 300,265
Total Supplemental Appropriations Requested											\$ 4,388,241					

- NOTES:
- (1) - Assumes all budgeted appropriations/encumbrances for 2022 are expended.
 - (2) - Assumes all budgeted revenues for 2022 are collected.
 - (3) - Estimates ending cash balance without further adjustments in expenditures or revenues for 2022.
 - (4) - Deer Run Force Main and Lift Station debt approved by City Council on February 28, 2022.
 - (5) - Fees associated with sale of bonds.
 - (6) - Real Estate Purchase Agreement - Orr Parcel.
 - (7) - Allocation of ARPA funds.

RECORD OF ORDINANCES

Dayton Legal Blank, Inc.

Form No. 30043

Ordinance No. 67-22

Passed , 20

AN ORDINANCE AMENDING THE ANNUAL APPROPRIATIONS
FOR THE FISCAL YEAR ENDING DECEMBER 31, 2022

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 shall be appropriated from the unappropriated balance in the General Fund the following amounts:

Taxation			
10110220-755000	Refunds	\$	
600,000			
Fleet Maintenance			
10110370-726002	Fuel	\$	150,000
Transportation & Mobility			
10150750-724001	General Maintenance	\$	(95,000)
10170750-713004	Other Professional Services	\$	95,000
Facilities			
10110350-717005	Utilities	\$	100,000
Park Operations			
10140430-717005	Utilities	\$	50,000

Section 2. There shall be appropriated from the unappropriated balance in the following Funds for the amounts allocated as listed for County Auditor Fees:

Debt Service Funds			
32090290-711001	County Auditor Fees	\$	350
32210290-711001	County Auditor Fees	\$	200
Thomas/Kohler TIF Fund			
41910290-711001	County Auditor Fees	\$	275
Historic Dublin Parking TIF Fund			
43610290-711001	County Auditor Fees	\$	575
Dublin Methodist Hospital TIF Fund			
45310290-711001	County Auditor Fees	\$	17,325
West Innovation TIF Fund			
45910290-711001	County Auditor Fees	\$	6,670
Riviera TIF Fund			
46510290-711001	County Auditor Fees	\$	4,605

RECORD OF ORDINANCES

Ordinance No. 67-22

Passed , 20

Bridge Park Block Z TIF Fund
46810290-711001 County Auditor Fees \$ 1,905

Bridge Park Incentive District TIF Fund
47410290-711001 County Auditor Fees \$
279,706

Section 3. There shall be appropriated from the unappropriated balance in the Rings/Frantz TIF Fund to account 43380320-735004 in the amount of \$78,000 for the design of the Avery Road and Rings Road – Cara Road Interim Intersection Improvements Project (ET202).

Section 4. There shall be appropriated from the unappropriated funds of the following TIF Funds the amounts as detailed:

Bridge Park Block Z TIF Fund
46810290-719006 Contractual Obligations \$
110,173

Bridge Park Incentive District Fund
47410290-719006 Contractual Obligations \$
2,965,912

Both of these appropriations are covered by corresponding revenues. There is no net impact on the City’s finances.

Section 5. There shall be funding appropriated from the unappropriated balance in the Sewer Construction Fund to account 62310210-713005 in the amount of \$7,500 to cover bank fees.

Section 6. There shall be funding appropriated from the unappropriated balance in the Central Ohio Interoperable Radio System (COIRS) Fund in the total amount of \$20,000. Of that total, \$15,000 is to be allocated to account 80710210-713002, and \$5,000 is to be allocated to account 80710210-724003 per the COIRS Board Resolutions. These transactions are fiduciary and have no net impact on the City’s finances.

Section 8. This ordinance shall take effect and be in force in accordance with Section 4.04(a) of the Dublin Revised Charter.

Passed this day of , 2022.

Mayor – Presiding Officer

ATTEST:

Clerk of Council