

**DUBLIN CITY COUNCIL
FINANCE COMMITTEE
Monday, June 10, 2024 – 4:30 p.m.
5555 Perimeter Drive
Council Chamber**

Meeting Minutes

Mr. Keeler called the Finance Committee meeting of June 10, 2024 to order at 4:30 p.m.

Committee members present: Mr. Keeler (Chair) and Mr. Reiner. Vice Mayor Alutto arrived at 4:31 p.m.

Staff members present: Mr. Stiffler, Ms. Goliver, Mr. Earman, Ms. Gee

Also present: Keith Hall and Maria Rosmarin, MSA Sport

APPROVAL OF MINUTES

Mr. Reiner moved to approve the minutes of the May 14, 2024 Finance Committee meeting. Mr. Keeler seconded the motion.

The motion passed by the following vote: Mr. Keeler, yes; Mr. Reiner, yes.

ITEMS FOR DISCUSSION

Hotel/Motel Tax Grant Policy

Ms. Goliver provided a review of the Hotel/Motel Tax Grant Policy process to date. The Committee last considered the Policy at their May 14, 2024 meeting and expressed support for a rubric for scoring community benefit events and a formula for scoring sports tournaments. The Committee also expressed the desire for flexibility in adjusting funding recommendations based on information produced by the scoring systems. Staff has created the policy to include the Committee's recommendations regarding a grant match of 25% in years one and two, a grant match of 50% in year three and beyond, as well as a requirement for organizations to submit their IRS Form 990 for review. Staff is suggesting that each organization enter into a Memorandum of Understanding (MOU) with the City to provide further clarity regarding the use of grant funds. Staff is recommending establishing a formal policy. This will create consistency and transparency.

Vice Mayor Alutto stated there was discussion previously about organizations that may not be able to come up with a 50% grant match. She inquired if that requirement is still the Committee's desire. She also asked if the three-year stipulation is three consecutive years or three total years.

Mr. Keeler stated that he shared similar concerns. Without reviewing their 990s, it would seem that some of these organizations have limited resources. He asked if the same amount of grant match has been used in the past.

Mr. Stiffler stated that the Beautify Your Neighborhood and Façade Improvements grant programs have a 50% grant match requirement. A grant match is not a requirement of the Hotel-Motel Tax Grant program. Homeowners' Associations and businesses have funding sources, so it may be easier for those programs. The grant match program includes ramp up time to ease the transition. The intent was for next year to be Year One of the program. Mr. Stiffler stated that the policy may be interpreted in such a way that the City could take into account efforts made to meet the grant match.

Vice Mayor Alutto stated that this grant program is fundamentally different than other grant programs. She understands the effort to encourage non-profits to pursue fundraising beyond the City. She likes the rubric and the formula. The grant match gives her pause.

Mr. Keeler stated that this process has come a long way. He is supportive of the rubric. There is now some objective criteria. The current issue is that the amount of grants requested far exceeds the amount budgeted. The grant match provides a mechanism to spread the funds among more organizations. Mr. Keeler stated that there was discussion about ending funding for an organization after three or four years of receiving grants. The formal policy needs written in such a way that there is discretion in awarding grants. A 50% grant match requirement seems excessive for some groups but there are organizations that may not even warrant a grant award once their 990s are reviewed. He believes the years counted in the policy should mean total years receiving grant funds from the City (not necessarily consecutive). He asked about the actual fund distribution. Mr. Stiffler stated that staff always has documentation of invoices and expenditures related to the event to validate amounts and ensure appropriateness. They are currently reviewed against the grant application, which is not always clear. A MOU would provide specifics regarding what the City is funding.

Vice Mayor Alutto is supportive of requiring an MOU. She agrees there should be some match but she is not comfortable with 50%.

Mr. Keeler noted that the policy will be reviewed by all of Council.

Vice Mayor Alutto suggested deciding on an amount for the grant match and then establishing a time to revisit the policy.

Mr. Keeler stated that he thinks 25% is a good starting point for the grant match. He is supportive of requesting Form 990 as well as the MOU requirement.

Mr. Stiffler asked for clarification on the Committee's feedback regarding the 25% match. Mr. Keeler suggested the 25% match for an organization begin with the third grant award. Vice Mayor Alutto stated that she is supportive of requiring the match at three years being required knowing that there is intent to review the policy prior to implementation in three years.

Mr. Reiner agreed.

Mr. Keeler stated that an alternative to using the term "require" would be language such as, "grants may be approved based on the organization's ability to match up to 25%."

Mr. Stiffler confirmed the Committee's recommendation to be that there would be no match requirement with the first three years of grant awards, but after three years, there would be a 25% grant match requirement with additional language addressing the organization's ability to show efforts toward fundraising.

Vice Mayor Alutto moved to recommend to Council approval of the Hotel/Motel Tax Grant Policy with the changes as stated. Mr. Reiner seconded the motion.

The motion carried by the following vote: Vice Mayor Alutto, yes; Mr. Reiner, yes; Mr. Keeler yes.

Dublin Community Recreation Center (DCRC) Refresh Funding Options

Mr. Earman stated that at the May 6, 2024 Council meeting, Council discussed many projects as part of the DCRC Refresh. Those projects require strategies for accommodation, cost effectiveness, timing, etc. The price tag associated with the Refresh is estimated at \$22 million. Staff has obtained an evaluation of the building's equipment, plumbing, mechanical, and electrical systems. Architects have identified \$1.6 million worth of projects necessary with the Refresh. There are other projects needed but those will be programmed into the Capital Improvement Program (CIP) through the facilities budget.

Mr. Earman stated that the Parks and Recreation Master Plan has identified some additional funding sources for the \$22 million project. Staff is requesting Committee feedback regarding the following list of alternate funding sources.

Dublin Funding Sources to Explore or Expand				
External Funding Sources	Capital Funding Sources	User Fees	Taxes	Franchise/Licenses
Corporate Sponsorships	P3 - Public Private Partnership	Fees & Charges	Transient (hotel) Tax	Pouring Rights
Crowdfunding	Capital Fees	Equipment Rental	Special Improvement District/Benefit District	Concession Management
Conservancies	Revenue Backed Bond		Public Improvement District (PID)	Private Concessionaires
Foundations/Gifts			Municipal Option Tax	Naming Rights
Private Donations			Sales Tax (NCA)	Land Leases
Friends Groups				Advertising Sales
Trusts (Land/Living Will)				Interlocal Agreements
Special Fundraisers				

Mr. Reiner asked about the potential for corporate sponsorships of rooms in the DCRC. Mr. Earman stated there are other entities that do that, so he knows it is possible. Staff

has not explored how successful it would be in Dublin. He would imagine sponsorships of rooms would be more successful than sponsorships of the entire facility.

Vice Mayor Alutto stated that corporate sponsorships/naming rights are something that should be explored. Crowdfunding is challenging and would not likely be successful. Many people/organizations would love to see their name on a room.

Mr. Keeler stated that OhioHealth sponsored the Economic Forecast hosted in their new building across from Riverside Hospital. They have shared with Dublin Chamber of Commerce members and Council Members that they want to be part of the Dublin community. There are nuances to every situation, but he would be supportive of offering this opportunity to all health systems. External funding is an untapped market. There are Dublin residents with money who are meeting with estate attorneys looking for ways to give back to the community. There is a significant level of opportunity there. He suggested the City compile the materials for offering this opportunity and reach out to people in this line of work.

Mr. Reiner referenced private/public partnerships and asked about the medical groups' relationships.

Mr. Hall, MSA Sports, shared Upper Arlington as an example and stated that there are 40,000+ square feet built into their building that the City paid for that Ohio State will occupy and pay rent on. That is typically the trigger. The partnerships help offset some of the costs of maintaining the building but also bring in services like acupuncture, yoga, rehabilitation, etc. Upper Arlington was able raise about \$8 million from the community.

Vice Mayor Alutto stated that in academia, sponsorship of areas is common. Dublin needs to maintain integrity. The City chose not to use naming rights on the Dublin Link Bridge. She feels more comfortable with naming a room in the recreation center than the recreation center itself. She is comfortable recommending this for Council discussion.

Mr. Reiner agreed with Vice Mayor Alutto. He stated that there is not extra space in this facility to bring in a partner. Naming rights is a preferable way to go.

Mr. Stiffler stated that he thinks there is an opportunity with naming rights. There is a sentimentality as well as corporate interest. The City does not have an advancement division and no staff with skills in that area. A lot of work goes into research and relationship building. Consultant services will be necessary to initiate such conversations

Vice Mayor Alutto suggested the library as an example. A 501(c)(3) is potentially a tool the City could use in this endeavor.

Mr. Keeler asked if the CIC would be a potential solution. Mr. Stiffler answered affirmatively.

Mr. Keeler stated that he thinks the opportunity for room naming rights warrants the discussion of Council. One of the things that makes Dublin a great place to live are the amenities. With partners like health systems that want to be part of the community and are doing it in other communities, he feels that should be pursued. Naming rights must be handled with caution, however. Trusts and wills are not necessarily naming rights.

Vice Mayor Alutto stated that success is determined by how the campaign is set up. There is currently no one in house with the expertise. The first step is to recommend discussion by Council.

Mr. Earman stated that the Committee's feedback is helpful. Exploring outside funding sources would be a big policy change for the City. The Parks and Recreation Master Plan has many associated costs, requiring the City to be creative in order to implement the Plan.

Vice Mayor Alutto stated that it is not just residents that use our park system. When considering potential donations, it would not have to be a resident that donates. The DCRC truly is a community asset.

Recreation Cost Recovery Policy

Mr. Stiffler introduced the following discussion item:

Does the committee want to explore the potential expansion of the utilization of user fees as part of the policy when it is an appropriate funding source? The best opportunities for this are the DCRC Refresh and Darree Fields.

Mr. Stiffler shared the recreation cost recovery history back to 2009. He noted that the cost of building maintenance was fully subsidized prior to 2010. The cost recovery policy was amended in 2018 to include capital improvement costs, including the North Pool reconstruction and the DCRC Refresh. The DCRC Refresh was pulled from the Policy as costs were not known at the time. This is the follow up conversation to that decision.

Mr. Stiffler stated that prior to 2019, cost recovery every year complied with the Policy. During the pandemic and post-pandemic period, the cost recovery of recreation costs could not comply with the updated policy. The City Recreation Program is on track to be fully recovered per the policy this year.

Mr. Stiffler shared a cost recovery percentage chart for 2016-2024 showing the cycle of payments. This conversation will inform the upcoming CIP discussions. He would like to discuss Recreation Program Cost Recovery as a revenue source. For the 2023 CIP, division director requests came to just under \$300 million. The City's adopted actual CIP was \$250 million. Last year, CIP requests were \$405,251,800 and the CIP grew to \$256,481,342. This year, requests total \$395 million with CIP in the \$260,000-270,000 range. This pattern leads him to believe that CIP requests will continue to far exceed the ability to fund them. All of the traditional funding resources are needed to reach \$256 million. The City needs to find additional sources of revenue to contribute to the CIP. He added that the execution of the Parks and Recreation Master Plan will likely lead to an

increase in capital expenditures in future years. Increasing the CIP by any meaningful way requires developing a funding source independent of income tax or debt. User fees are a reliable source of income for capital projects. Maintaining a fiscally sustainable program requires that revenues and expenditures continue to be well-matched at 50% recovery. When the policy was amended in 2018, there were very specific revenue generations and fee recommendations. Mr. Stiffler stated that he would like to provide something similar. Before moving forward, staff would like to gauge the Committee's support for utilizing user fees and what that might mean for the recreation cost recovery policy. Dublin's recreation cost recovery is low compared to other municipalities and private facilities. Historically, cost recovery has been approximately 55%. His opinion is that moving this to 60% would not be too traumatic.

Mr. Reiner shared a story of a neighboring township trustee who uses Dublin amenities because they do not have any. Mr. Reiner shared that he does not have a problem raising user fees for non-residents.

Vice Mayor Alutto stated there is a need for fee structure changes. She would also like to review recreational programming. When the DCRC was first built, Dublin did not have the 50,000 residents who now reside here. Inevitably, the fee structure needs to change and the cost recovery needs to be higher. More use and users will cause more costs. She is supportive of reviewing the costs and feels the fees for residents and non-residents should differ.

Mr. Keeler agreed. He would be supportive of higher non-resident fees.

Vice Mayor Alutto stated that sensitivity to the aging population and veteran population must be maintained.

Mr. Reiner stated that much like real estate, small systematic increases in costs are more tolerable than large increases.

Mr. Stiffler stated that when the policy was amended in 2018, there was a 20% jump in user fees because costs had not increased in 8 years. The costs were modified 5% last year and 5% in the prior year with the intent to review it again.

Vice Mayor Alutto stated that she appreciates staff's creativity.

Mr. Keeler referenced the Metro Center and shared his belief that in the next several years, residents of the City will need more in terms of fitness than can be offered at the DCRC. He would strongly encourage private businesses in Metro Center to add fitness/gym uses. That is a missing piece in the City and could take some of the burden from the DCRC.

Vice Mayor Alutto agreed.

Mr. Reiner referenced the recent health study noting how healthy Dublin residents are and stated that it is a compliment to the City.

AJOURNMENT

There being no further business to come before the Committee, the meeting adjourned at 5:44 p.m.


Chair, Finance Committee


Deputy Clerk of Council