

**DUBLIN CITY COUNCIL
FINANCE COMMITTEE
Tuesday, October 24, 2023 – 4:30 p.m.
5555 Perimeter Drive
Council Chamber**

Meeting Minutes

Ms. Alutto called the Finance Committee meeting of October 24, 2023 to order at 4:30 p.m.

Committee members present: Ms. Alutto (Chair), Ms. Amorose Groomes, Mr. Keeler.

Staff members present: Mr. Stiffler, Ms. Goliver, Ms. Hoffman, Ms. Gischel, Ms. Goehring

APPROVAL OF MINUTES

Ms. Alutto moved to approve the minutes of the September 12, 2023 Finance Committee meeting. Mr. Keeler seconded the motion.

The motion passed by the following vote: Ms. Alutto, yes; Mr. Keeler, yes; Ms. Amorose Groomes, yes.

DISCUSSION ITEMS

2024 Hotel/Motel Tax Grant Review

Ms. Goliver provided background on the Hotel/Motel Tax Grant process. She explained that the City levies a six percent hotel/motel excise tax on all overnight stays within City limits for the purpose of providing revenue to enhance the City's appeal to visitors and tourists, and for the purpose of promoting and publicizing Dublin. City Council annually budgets the greater of \$225,000 or 6.5% of the previous year's actual revenue for the grant program.

Beginning in March, staff and the Finance Committee began discussing the grant application evaluation process. Ms. Goliver reviewed the criteria, priorities, and limitations of the program. Much of that is the same as in years prior.

Ms. Goliver explained that, in order to provide transparency to the applicants, information was posted at the City's website and mentioned to applicants to let them know that these items could be taken into consideration. The organization receiving the grant funds must be the organization that expends the dollars. A consideration would be that the organization is not funded through other City funds. Funds must be utilized for a specific event/project. Organizations are encouraged to display an ability to match at least 25% of the awarded grant funds.

Ms. Goliver stated that all applications received were scored using both Options 1 and 2. Option 1 is the combined rubric for sports tournaments and community events or projects.

Ms. Alutto asked if the City received feedback from potential applicants on the new information posted. Ms. Goliver stated that originally yes, but staff clarified the intent

and that the considerations were not hard and fast rules, and everyone was still encouraged to apply.

Ms. Goliver explained that Option 1 takes into account Quality of Life, Social and Cultural Resilience, Fiscal Sustainability, and Event Financial Sustainability. Staff appreciated having the ability to show clear designations. Using this option, a small committee of staff members from economic development, events, and finance reviewed and scored the grant applications. She shared those results with the Committee. There is additional information on the master spreadsheet included with packet materials.

Ms. Goliver stated that Option 2 separated sport tournaments and community benefit events/projects. The original discussion determined that sports tournaments were somewhat easier to quantify the return on investment to the City. There would be a formula for anticipated cost of City services plus the past year's return; or anticipated cost plus 50% of anticipated return to the City. Option 2 pulls out all sports tournaments from the original rubric. The rubric would stay the same for community benefit events. A final report will be required, which would verify that grantees executed on all of the components identified in their application and would include information for 2025. This would be included in the Committee's packet in the following year's request if filed. It is important that the City is reimbursing for what was requested. The report would include information on attendance, hotel nights, and changes for next year.

Ms. Goliver stated that this year, the City received 24 grant applications including six that have not received a grant in years past. Requests total \$455,130. There is \$225,000 budgeted creating a variance of about \$230,130. If the Committee were to move forward with Option 2, \$63,720 would be granted to sports tournaments leaving \$161,280 available for distribution to community benefit events/projects. Staff is seeking a recommendation from the Committee regarding which policy option to utilize for awarding grants at the November meeting. Ms. Goliver noted that information has been distributed to applicants regarding the November meeting.

Ms. Alutto asked if all sports tournaments would be receiving their full request. Ms. Goliver stated that they would not necessarily receive the full request. Most applicants asked for more than what the formula would grant them.

Mr. Keeler stated that the Committee is trying to decide if these two methodologies match with the desired results, which would make the process less subjective. In the past, the process began with the amount requested by the applicant. Based on that and the budget, the process and outcome was nebulous. Later this year, it will be necessary to determine actual numbers. There are actual numbers for Option 2 for sports tournaments. It is important to see how the point system in the rubric applies to the financial award. In Option 1, the total number of points scored for all groups was 432. He proposed taking the points received and dividing it by points allowable to come up with a percentage. For example, the Arthritis Foundation scored 26 of the 432 total scored points, so they would receive six percent of the \$225,000 available grant monies, which is \$13,500. That compared to their request is reasonable. Using the same calculation for Ace Archery would grant them significantly more than Option 2 would give them. Previously, the starting point was what was requested, not what the community was receiving in return. No matter which option we adopt, there may be a significant difference from what they have been receiving in the past, what they are

requesting this year and what they will be granted this year. He has no problem with the rubric or criteria. They now have to decide what method to use to translate the scores into a grant award for the applicant.

Ms. Amorose Groomes agreed with Mr. Keeler. Rather than proposed hotel nights, the previous year's confirmed nights should be used. She does not think proposed hotel nights hold much weight. Unless it is a new event, the point system has to consider the previous year's confirmed nights. It is important to have accurate data. An example of applicants giving good data is the lacrosse boosters. Ms. Goliver asked if the Committee would like confirmed night data for the community benefit events. Ms. Amorose Groomes stated that her thoughts on community events are totally different. There has to be a way to end City support of events that no longer need it. For example, she believes that the Dublin North Market has the ability to raise sponsorship other than from the City of Dublin. The City wants to be supportive and can offer in-kind services, such as social media posts. She does not think the success of that event would depend on a \$50,000 grant from the City of Dublin. Having a three or five year grant end would be appropriate. If an event cannot get off the ground and become sustainable in three to five years, maybe it should not happen. ForeFest is a highly successful, well-attended event. There are a number of these events that would not be able to be self-sustaining. She would like to see a grant category have a planned grant end. JASCO should be able to fundraise for their event. The City needs to be careful about supporting a specific cultural event unless it is done for every cultural event request received. There needs to be a path to self-sustainment.

Mr. Keeler stated that this committee did discuss establishing a grant timeframe limit for groups. Nearly all of these groups receive outside funding for their events. Inherently in this process, the City is supporting some group events and not others because they have not applied. People need to know that this opportunity exists so that any group can apply. The rubric and criteria make sense, but it would seem that there could be an overlay that would apply to some of the groups that apply for grants year after year. Maybe the first year, they receive up to 100% of their award, but year two it is 50%, and year three it is 25%. The problem is deciding to which groups this would apply.

Ms. Alutto stated there is always a component that is not well measured by a rubric. If the rubric was perfect, we would not need this conversation. There is some subjectivity relative to what Council members see as important to the community that elected us to these positions, so these conversations are necessary. Events like Dublin Market and ForeFest have a self-sustaining component that should be considered. She also believes decisions should be based off of previous years confirmed nights.

Ms. Amorose Groomes asked where the Historic Dublin Business Association came up with 1,000 proposed room nights. Ms. Goliver stated that those are the numbers staff was provided by them. Ms. Gischel stated that she is not sure proposed overnight stays has even been taken into account in the past. Ms. Goliver stated that staff will ask for attendance numbers for the Committee's consideration at the meeting in November.

Ms. Alutto stated that the Committee needs to decide which Option to use.

Mr. Keeler stated that he likes Option 2. For non-sports groups, there is no firm data on overnight stays. Many sports groups have a history for reference. He thinks there should be an overlay based on how long a group has been receiving funds for an event from the City. Maybe those groups get a reduction in award to free up funds for other groups. Option 2 uses the formula for the sports tournaments while the rubric is used for all the non-sports groups.

Ms. Amorose Groomes stated that she likes separating out sports tournaments because it is purely economic development that is funding the entirety of the hotel-motel tax grant program. She likes that part of Option 2. She does not think those groups need a grant limitation. The City should keep investing in these events if it is receiving an economic return. For the community benefit projects, she is not necessarily supportive of always awarding all of the money budgeted. True community events are different from events that boost the sales of a company. For example, the Dublin Jerome Homecoming Parade is a true community event. They likely do not have access to large amounts of money; there is no marketing team. The Dublin Market is a huge revenue-producing event. If an event is making money for the operator of the event, then at some point, they have to fully own the event and should no longer be requesting a grant.

Ms. Alutto stated events that are specifically and solely for the benefit of the community meet the definition and purpose of this grant process. She does not want to lose sight of the fundamental purpose of the hotel-motel tax grant process.

Ms. Amorose Groomes stated that she is not sure how to separate these types of events.

Ms. Alutto stated when considering economic impact, the impact of patronization of Dublin businesses was included as a consideration in addition to overnight stays. Maybe that is the separation point. This tax grant fund was not established for the purpose of providing financial assistance for for-profit businesses.

Ms. Goliver stated that the rubric is weighted. Economic Impact and Event Financial Sustainability are weighted higher than Quality of Life and Social or Cultural Resilience. One way to achieve this separation would be to weight Quality of Life and Social or Cultural Resilience higher than Economic Impact and Event Financial Sustainability. Weighting them differently would change the scores and show an emphasis on quality of life.

Ms. Alutto suggested removing the patronization of Dublin businesses. Economic impact was originally designed to consider "heads in beds". She has been on the Finance Committee for eight years. It is appropriate to say that things do benefit private businesses but maybe that is not a weight in the rubric. This intent of this tax grant is to benefit residents not businesses.

Ms. Amorose Groomes stated that it would be interesting to see how that suggested change bears out. She is also interested in structuring a grant off-ramp or reduction in points.

Ms. Alutto stated that true community events do not need an off-ramp. Ms. Amorose Groomes stated that she is not sure how to differentiate those events, as the applicants are all non-profit organizations.

Ms. Alutto stated that the Committee has recommended significant changes in the process this year. There can be additional alterations. Previously, the Finance Committee talked about handing this over to the Community Improvement Corporation but wanted to decide on a review process. She suggested evaluating this year's applications using the rubric and formula as mentioned here and continue the discussion into next year. She does not want to bog down the process. Sometimes changing too many variables makes it difficult to identify what worked.

Ms. Goliver stated that staff is happy to add the number of years that grants have been awarded into the master spreadsheet.

Mr. Stiffler stated that staff has heard some conflicting policy goals like wanting an off-ramp while wanting to support community events. It would seem like some type of budget limit may be necessary. For example, projects with a budget of under \$20,000 would have a different set of rules from events with more financial resources.

Ms. Alutto stated that applicants submit financial statements with their grant applications for events. They are all non-profit organizations. She proposed requesting their 990 form. Ms. Goliver noted that those are required but have not been used for award consideration. Total project budget has been used in the past. Ms. Alutto stated that it could be unfair to require that this year because it has not been included in the grant application process yet. She suggesting discussing a requirement for their overall financials next year.

Ms. Amorose Groomes stated that in her opinion, this is Year One for everyone. If this is what the Committee has decided to do, it should be communicated so that next year is not a surprise.

Mr. Keeler confirmed that separating sports tournaments and using the formula as presented is the Committee's recommendation.

Ms. Alutto stated that the City has received a record number of grant requests this year. Having the rubric and discussion regarding sustainability of larger events will help justify the amount of money being awarded.

Mr. Keeler stated that the thought here and in the past was that the City wanted to reward the groups that make the bed tax grant fund self-sustaining. The community groups do not generate overnight stays but still benefit the community. It is preferable to incentivize groups to have events that encourage attendees to stay overnight.

Ms. Amorose Groomes stated that progress has been made, but the grant process is not yet where it needs to be. She suggested evaluating the results out of this grant cycle. Mr. Keeler agreed.

Discussion continued regarding the importance of the economic impact of sports tournaments.

Ms. Alutto summarized the Committee feedback as follows:

- sports tournaments to be considered separate;
- economic impact weight to be lowered for non-sport events; and
- previous year's actual overnight stays to be used versus proposed overnight stays.

Ms. Goliver clarified that utilizing Option 2, sports tournaments would not be evaluated through the rubric but the proposed formula.

Mr. Keeler stated that with this method, an event with many overnight stays and one with no overnight stays may end up with the same score due to benefit to community. He wondered if this is the desired outcome.

Ms. Alutto responded that is a valid question. There is always a qualitative discussion. Though we attempt to keep things proportional, some of the process is subjective.

Ms. Goliver outlined staff's feedback from the Committee as follows:

- tournaments to be considered separate;
- community rubric be amended to increase weight of Quality of Life; and
- patronization of Dublin businesses be removed from the scoring rubric.

Ms. Alutto added the use of previous year's actuals. Ms. Goliver stated that she will also add the number of years the events occurred in Dublin to the master spreadsheet.

Ms. Alutto stated that she would like to ensure a recap discussion on intentions for next year.

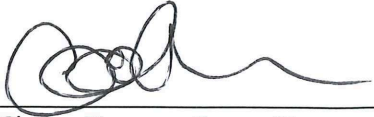
Ms. Amorose Groomes asked for thoughts from staff.

Ms. Hoffman stated that Ms. Goliver has put an enormous amount of work into this. She thanked her for her efforts and agreed that community events should be supported by the grant.

Ms. Alutto thanked Ms. Goliver for her work.

Mr. Stiffler stated that if Dublin receives the budgeted revenue for hotel-motel tax, there will be an increase in this amount for the first time. It is difficult to be at zero percent growth. If reasonable growth in this appropriation could be sustained, a rebalancing could occur in the next three to five years as some events fall off.

There being no further business to come before the Committee, the meeting adjourned at 5:35 p.m.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke.

Chair, Finance Committee

A handwritten signature in blue ink, reading "Jayne Maxwell" in a cursive style.

Deputy Clerk of Council