DUBLIN CITY COUNCIL
FINANCE COMMITTEE
Tuesday, August 12, 2025 - 4:30 p.m.
5555 Perimeter Drive
Council Chamber

Meeting Minutes

Mr. Keeler called the Finance Committee meeting of August 12, 2025 to order at 4:30 p.m.

Committee members present: Mr. Keeler (Chair), Vice Mayor Alutto and Mr. Reiner.

Staff members present: Ms. O'Callaghan, Mr. Rubino, Ms. Hoffman, Mr. Urbancsik, Ms. Murray

Also present were: Brian Cooper, Baker Tilly Municipal Advisors

APPROVAL OF MINUTES

Mr. Keeler moved to approve the minutes of the June 30, 2025 Finance Committee meeting.
Vice Mayor Alutto seconded the motion.

Vote on the motion: Mr. Reiner, yes; Vice Mayor Alutto, yes; Mr. Keeler, yes.

Debt Sensitivity Analysis

Mr. Rubino introduced the debt sensitivity analysis presentation, explaining they would be discussing the City's current debt portfolio, recent credit ratings, and what these mean for the City's ability to issue additional debt for capital and other needs. He introduced Brian Cooper from Baker Tilly, the City's municipal adviser, who would be presenting the detailed analysis.

Mr. Brian Cooper, Baker Tilly, 140 E. Town Street, Columbus, began his presentation by explaining that credit ratings are predictive indicators of a city's ability to repay debt on a timely basis. He noted that Dublin carries ratings from all four primary rating agencies: Moody's Investor Service, S&P Global Ratings, Fitch Ratings, and Kroll Bond Rating Agency.

Mr. Cooper explained that the ratings are derived from methodologies that evaluate four basic factors: strength of the local economy, financial performance (fund balances, liquidity, budget performance), management practices and policies, and debt/liabilities. He emphasized that rating agencies start with quantitative analysis and then incorporate qualitative factors.

Mr. Cooper presented a history of Dublin's credit ratings, noting that the City had maintained AAA ratings with Moody's and Fitch since 2004, added an S&P AAA rating in 2017, and most recently obtained a AAA rating from KBRA in 2024. The presentation showed that Dublin currently has approximately $206 million in outstanding bonds (either limited tax general obligation bonds or nontax revenue bonds) plus $4.8 million in notes outstanding. Mr. Cooper noted this was an increase from about $133 million in 2016, with most of the recent increase coming from financings for government improvements and the acquisition of SportsOhio.

Mr. Cooper highlighted that the City is paying off approximately 62% of its principal over 10 years, which he described as a relatively quick amortization with the longest maturity being 21 years. He characterized this as a "very nice amortization" that is somewhat front-loaded.

Addressing potential risk factors for the City's credit ratings, Mr. Cooper explained that Moody's primary concern was the decline in available fund balance ratio, which had dropped from 33% in 2020 to 17.9% in 2023 and was expected to fall to 8.27% in 2024. He noted that while the City has approximately $200 million in cash, most of this is assigned to specific funds, leaving only about $15 million truly unencumbered.
For S&P, Mr. Cooper indicated that Dublin appeared stable, with headroom for approximately $136 million in additional debt. For Fitch, which has rated Dublin since 2001, the City was described as being on the "low end of AAA" with limited headroom of approximately $50 million in additional debt before risking a downgrade. KBRA, the newest rating agency, shared concerns about income tax volatility and liquidity.

Mr. Reiner asked if the City was at risk of being downgraded. Mr. Cooper responded that while he did not think so, the City does not have a lot of room left, particularly with Fitch where a 9% increase in long-term liabilities (approximately $50 million) could trigger a downgrade.

Council Member Keeler asked how bond pricing would be affected if the City were downgraded by one of the four rating agencies. Mr. Cooper explained that with a split rating, bonds would price to the lower rating. However, he noted that the pricing differential would be small, perhaps around 10 basis points, and would be most significant for larger issuances.

Vice Mayor Alutto asked whether Mr. Cooper had any recommendations for changes to the City's debt policy. Mr. Cooper responded that the City's policies, including its debt policy, investment policy, cash reserve policy, and capital planning, were all excellent and scored highly with rating agencies. He suggested continuing the practice of reviewing these policies annually.

Mr. Reiner asked how Mr. Cooper determined the debt ceiling estimates for each rating agency. Mr. Cooper explained that they took the City's current quantitative factors and put them into each agency's rating model, then increased the debt level until it triggered a downgrade. He acknowledged this was a rudimentary approach that only manipulated one variable while holding all others constant.

Council Member Keeler noted that this approach does not account for how incurring debt might lead to economic growth and higher revenues. He suggested that while the

analysis showed thresholds ranging from $50 million to $266 million across different agencies, the City should aim to stay well below these limits, perhaps around $30-40 million in additional debt.
Vice Mayor Alutto agreed with Mr. Keeler's conservative approach. She noted the challenge of balancing land banking (which appreciates in value but is not reflected in the ratings analysis) with maintaining strong credit ratings. She suggested staying below the $50 million threshold while acknowledging the need for strategic investments.

Mr. Reiner emphasized the importance of running the City like a business, focusing on tax revenues and profitable development. He expressed some concern about the Sports Ohio acquisition, questioning its potential as a profit center compared to other investments, and stressed the importance of maintaining cash reserves for opportunities.

The Committee members discussed the Capital Improvement Plan (CIP) and the need to balance debt issuance with debt retirement. Ms. O'Callaghan noted that the City typically issues about $10-15 million in new debt annually while retiring a similar amount. She emphasized the challenge of balancing infrastructure needs with Council goals and land acquisition opportunities.

Ms. O'Callaghan explained that there had been a reporting change in how unfunded projects were presented in the CIP totals, which had created the appearance of a larger increase than had actually occurred. They committed to providing normalized comparisons at the upcoming Council meeting to ensure accurate trend analysis.

Mr. Keeler expressed concern that the CIP had grown from $210 million to $325 million in six years, a 6.4% annual increase, which he viewed as unsustainable given that general fund revenue had only increased by 1%. He called for difficult decisions to bring spending under control while still pursuing strategic priorities.

There being no further business to come before the Committee, the meeting adjourned at 5:37 p.m.

Chair, Finance Committee

Clerk of Council