

**DUBLIN CITY COUNCIL
FINANCE COMMITTEE
MONDAY, FEBRUARY 23, 2026 - 4:30 p.m.
5555 PERIMETER DRIVE
COUNCIL CHAMBER**

Meeting Minutes

Ms. Alutto called the Finance Committee meeting of February 23, 2026 to order at 4:30 p.m.

Committee members present: Ms. Alutto (Chair), Mr. Keeler and Ms. Johnson

Staff members present: Ms. O'Callaghan, Mr. Rubino, Ms. Weisenauer, Ms. Murray, Mr. Urbancsik, Ms. Blake, Mr. Jiang, Ms. Hunter.

APPROVAL OF MINUTES

Mr. Keeler moved to approve the minutes of the November 10, 2025 Finance Committee meeting. Ms. Johnson seconded the motion.

Vote on the motion: Ms. Johnson, yes; Ms. Alutto, yes; Mr. Keeler, yes.

Hotel/Motel Tax – Discussion of Revenue Allocations and fund Balance Policy

Mr. Rubino explained that they would be continuing the discussion started last fall about hotel motel tax. He emphasized that revenue from this tax collection accounts for approximately 5% of the City's operating resources.

Mr. Rubino highlighted the significant role this revenue source plays in boosting the local economy by supporting tourism and cultural amenities within the City of Dublin. He noted that the City has been able to utilize this source of revenue to accomplish many things, which would be discussed during the presentation.

He explained that the presentation will cover several topics including the definition and purpose of the hotel motel tax; history and background with detailed slides showing key points from the past couple decades on different policies around revenue allocation; collection trends and allocation of tax revenue; an overview of the fund budget itself; the impact of financial activity on fund balance; and recommendations for fund balance policy and a framework for distributing revenue to various organizations (Presentation attached hereto and incorporated herein by reference as Exhibit A).

Mr. Rubino was joined by Megan Murray (Deputy CFO), and Doug Urbancsik (Budget Manager), who would be helping with the presentation and answering questions. He encouraged committee members to ask questions throughout the presentation.

Beginning with background information, Mr. Rubino explained that the City has a designated fund (Fund 232) where they collect not just hotel motel tax revenue but also event revenue and other sources. He detailed the current uses of revenue allocation: Dublin Arts Council and public art, City event expenditures, and the hotel motel tax

grant program itself. He emphasized that Fund 232 is part of the City's overall operating budget that Council adopts each year.

Mr. Rubino provided context on the revenue's significance, noting it represents 4% of all total funds revenue (over \$200 million) for 2025, and 5% of total operating revenue. He clarified that this does not include the 25% distributed directly to Visit Dublin Ohio through a separate funding mechanism.

Moving through the historical timeline, Mr. Rubino detailed the origination of the tax in 1987 when the City adopted a 3% tax pursuant to Ohio Revised Code, referred to as an excise tax. An additional 3% was added for a total of 6%, with 25% of that revenue deposited into an account for the Dublin Convention and Visitors Bureau as per Ohio Revised Code. The remainder (75%) could be used for cultural arts, beautification of public property, improvement of historic districts, special events, and other projects that would enhance the City's appeal to visitors and tourists.

He continued through the timeline, noting that in 1990, an ordinance restricted the money to only be used within the City of Dublin and placed specific reporting requirements on organizations receiving the revenue. In 2016, the first formal hotel motel tax grant policy was discussed as a way to provide direction on decision-making for deploying grant dollars. In this same year, an additional 10% allocation to Visit Dublin Ohio was approved.

Mr. Rubino explained that 2019 saw discussions on how the fund fits into the City's strategic framework for financial sustainability. Then in 2020, the pandemic began, significantly impacting this revenue source. The City had to support the fund during this period, with the General Fund providing just over \$2 million in support in 2021 and 2022. Mr. Rubino also mentioned that the City allocated a portion of its COVID relief dollars via the ARPA program to support Visit Dublin Ohio.

By 2023, things started returning to normal, and the Finance Committee resumed conversations on financial policy. In 2024, the focus shifted to grant policy, and in September 2025, they resumed policy conversations about the fund itself, looking at basic projections for revenue and uses.

Mr. Rubino explained the basic formula for calculating hotel motel tax revenue: the 6% rate times the average daily rate times the number of stays. He showed the long-term revenue trend, highlighting consistent increases year over year until 2020's pandemic impact. From 2022 to 2023, there was about a 10% increase, and from 2023 to 2024, another 10% increase. However, this past year showed just under 6% increase, suggesting a leveling off to a normal annual increase that they expect to settle around 5%.

He noted there are currently 18 hotels in Dublin, with one closure in 2023. The City is aware of potential additional hotels that could have a positive impact on revenue. Allocations are paid out to Visit Dublin and the Arts Council on the 15th of each month, with the 25% required by ORC captured separately and the remaining distributions coming from the hotel motel tax fund.

Moving to benchmarking data, Mr. Rubino presented comparisons with regional peers, showing Dublin's \$3.7 million in 2024 revenue. He also showed the top 20 Ohio convention and visitors bureaus (CVB) by revenue, with Dublin ranking 13th in the state.

At this point, Mr. Keeler asked a clarifying question about the Dayton numbers shown in the benchmarking slides, noting a discrepancy between slides. Mr. Rubino acknowledged this was a good question and would follow up with the specific difference, suggesting there might be additional private investment or monies included in the CVB numbers.

Ms. Murray then took over to discuss City operations within the hotel motel tax fund. She explained that the fund consists of multiple revenue sources, with the two largest being hotel motel tax revenue and community events revenue. Community events revenue includes ticket sales, beverage sales, and merchandise sales at City events. Miscellaneous revenue (9%) includes sponsorships and contributions to events.

In response to Ms. Johnson's question, Ms. Murray confirmed it all goes into this fund.

Ms. Murray then detailed the disbursement of the approximately \$4.2 million in revenue for 2025: 25% to VDO per ORC, 25% to DAC contractually, 6% in development agreements, 10% to VDO and 6.5% to hotel motel grants per policy, and 27% to City operations (community events and arts maintenance).

She broke down the City operations expenses, with personal services totaling about \$1.1 million going toward community events salaries and benefits, plus 50% of the landscape architect position that handles public arts maintenance. She emphasized this does not cover costs of staff from other funds (police, streets, finance) that support community events.

Contractual services represent the largest expenditure at about \$3 million, used mainly for Dublin Irish Festival, entertainers, staging, electrical needs, the Sharing O' the Green program, and private security. The remaining \$424,000 goes to supplies and other charges for events and parks maintenance.

Mr. Keeler raised a question about corporate sponsorships and partnerships, noting his understanding that events staff had gathered \$100,000-150,000 in sponsorships in the past year. He wanted to know where this was reflected in the presentation. Ms. Murray pointed back to the miscellaneous revenue category (9%), which includes sponsorships and contributions.

Ms. Murray discussed development agreements, which utilize about 6% of hotel motel tax funds. She explained that in 2015, City Council approved the creation of the Bridge Park NCA (New Community Authority), which has shared governance with 3 developer appointees and 4 City appointees. NCAs have several powers including collecting service fees, enforcing development charges, issuing debt, and purchasing or selling property.

The Bridge Park Development Agreement adopted later in 2015 includes provisions for a grant of 25% of bed tax earned (after the 25% VDO reduction) for the AC Marriott and other hotels. This was amended in 2018 to include SpringHill Suites and future hotels. She also noted that separately, in 2022, the Bridge Park NCA adopted retail charges including a 1% hotel charge and 0.5% retail charge on gross receipts. The hotel motel tax distribution to development agreements is anticipated to continue through 2067.

Mr. Urbancsik then presented the background on the partner organizations, starting with Visit Dublin. He reviewed the historical background, noting the 1987 adoption of the 6% lodging tax and subsequent increases in support, including policy-based increases beginning in 2015. During the pandemic, hotel motel tax revenues declined significantly, and City Council adjusted appropriations in 2021 to stabilize operations. In 2022, the City provided Visit Dublin a one-time ARPA funding of \$300,000 while continuing the 35% allocation.

He showed that compared to neighboring communities, Dublin's funding level is competitive while remaining below large metro areas like Cleveland, Columbus, and Cincinnati.

For the Dublin Arts Council, Mr. Urbancsik explained the relationship dates back to the late 1990s and early 2000s. In 2000, the City executed a lease agreement for the facility at 7125 Riverside Drive. The original agreement tied 25% of projected hotel motel tax revenues with rent payments withheld from that distribution. The City retained responsibility for major structural systems, while the Arts Council managed daily operations, programming, public art, and grants.

During the pandemic, the City provided an additional temporary contribution, and rent was not withheld in 2022. The lease agreement is scheduled to end December of this year. Beyond direct funding, the City has made significant capital investments in the Arts Council facility, with more than \$1.2 million invested in accessibility, infrastructure, and facility improvements.

Regarding the Historical Society, Mr. Urbancsik explained that originally under a 1982 lease, the society was responsible for upkeep of the Coffman Homestead. In 2001, the City assumed control of the property, taking on maintenance and repairs while the Historical Society continued as an advisory body. The City covers utilities, mowing, and structural repairs to historical structures.

Mr. Rubino then discussed the hotel motel tax grant program, which is appropriated by Council each year to allocate a portion of revenue to grants with specific criteria evaluated by the finance committee. Previously set at \$200,000 or 6% from 2018-2020, it was modified in 2021 to \$225,000 or 6.5%, whichever was higher. Last year, just under \$260,000 was available for allocation.

He demonstrated that maintaining 6.5% of actual revenue over time would exceed half a million by 2038, compared to a straight 3% annual increase which would be about \$90,000 less. This illustrated how taking 6.5% of a revenue source growing at 5% compounds more quickly than other methods.

Mr. Rubino summarized key benchmarking highlights: Dublin is 13th in the state for CVB funding; over 67% of CVBs nationwide have contracts with their city or county; multiple cities have lease agreements with their arts councils; and most cities don't have formal agreements with historical societies. He noted some specific examples, including Canal Winchester allocating 10% of remaining hotel motel tax revenue to their historical society, and Uptown Westerville Inc. receiving 30% of its funding to run citywide events.

Moving to fund balance policy discussion, Mr. Rubino emphasized the importance of tracking all revenue sources in one fund (Fund 232) because they share a similar purpose of bringing visitors to the City. He explained this includes hotel motel tax revenue, events revenue, miscellaneous lease revenue, and sponsorship dollars.

He presented a projection showing the net operating result - comparing revenue coming in against expenditures and allocations going out. The projection assumed 5% revenue growth and 3% expenditure growth, showing the fund reaching a break-even point by 2029.

At this point, Mr. Keeler asked about the \$150,000 in corporate sponsorships again, wondering if it was included in the revenue projections. Mr. Rubino indicated it would be blended into the community event revenue line of about \$2.3 million in 2026. Mr. Keeler said they could look into it further and he would return to it in his comments.

Mr. Rubino then showed a graph illustrating what it would look like to establish a fund balance policy of 50% of hotel motel tax revenue. Using 2026 as an example, with \$4.4 million coming in, they would want an ending balance of \$2.2 million instead of the projected \$1.9 million. The graph showed they could reach this target by 2033-2034, assuming consistent growth patterns.

He explained why a fund balance policy is needed, comparing it to the General Fund's 50% balance-to-expenditure policy. This would ensure financial stability, align with budgeting practices, and importantly, insulate the General Fund from having to provide subsidies during revenue downturns as happened in 2020-2021.

Ms. O'Callaghan then presented the staff recommendations, emphasizing they were designed to provide a path forward to achieve fund balance while maintaining transparency, improving accountability, and continuing to support partner organizations with more consistency.

The first recommendation was establishing a minimum fund balance of 50% of actual hotel motel tax revenue. She noted that while 100% had been discussed over the years, 50% was appropriate and consistent with other Council policies without taking drastic measures.

Second, implement formalized agreements with all hotel motel tax recipients as a best practice for public funds. The City had already started this process with grant recipients through MOUs and would extend it to Visit Dublin, Dublin Arts Council, and Dublin Historical Society.

Third, establish a protection mechanism for revenue fluctuations. If annual revenue declines by less than 5%, allocations would remain consistent with the prior year. If declining more than 5%, a review would be conducted during the annual budget process.

Fourth, consider how to handle funds once the desired fund balance is achieved. Priorities could include funding capital improvements (like the Dublin Arts Council building improvements or event infrastructure), providing additional support to partners, or increasing discretionary grant funds.

Ms. O'Callaghan noted the framework would strengthen financial discipline while providing predictability for partners through agreements with consistent reporting requirements. She recommended the hotel motel tax grant allocation continue to be determined annually for flexibility.

She highlighted the timing was noteworthy because 2026 marks the third year of Council's policy requiring events funded for three or more years to provide a 25% match, which should reduce grant demand. Additionally, the anticipated impact of SportsOhio and the premier athletic complex vision should reduce demand for sports event grant funding while positively impacting hotel motel tax performance.

Mr. Rubino then presented specific framework considerations for each organization. For Visit Dublin, regarding the additional 10% allocation beyond the ORC-required 25%, recommendations included: 5-year term beginning next year with a fixed amount based on 2026 actuals, annual inflationary increases, protection for revenue declines up to 5%, funding restricted to scope of services with no administrative use, separate accounting for the allocations, and continued City representation on the Visit Dublin board. Services would include statewide/regional marketing campaigns, Irish Festival marketing support, SportsOhio partnerships, Everything Dublin store, Downtown Dublin strategic alliance, and new employee store.

For the Dublin Arts Council, considerations included reopening the lease (which ends this year) to determine length and rent amount, establishing a fixed amount based on 2026 actuals, and identifying services consistent with the current lease plus potential new collaborative services.

For the Historical Society, recommendations were similar: fixed term and amount with inflationary increases, 5% protection, annual performance review, and funding restricted to scope of services. Services would include continuation of museum usage and tours, historic district tours, new employee tours, and meeting room uses for the City.

Mr. Rubino concluded by asking for feedback on the fund balance policy recommendation of 50% and considerations for allocations to the three organizations based on the frameworks presented.

Ms. Alutto opened discussion, and Mr. Keeler began with his perspective, characterizing the situation not critical. He noted that if everyone received a percentage like the original 1987 structure, the fund would last indefinitely, but fixed dollar amounts and increasing event costs create the challenge.

He observed that the fact they had been discussing this for 10 years ranks it much lower in priority than the General Fund balance policy. He noted the fund balance shows improvement from 2028-2030.

Mr. Keeler calculated only about a \$260,000 difference between 44% and 50% fund balance, which brought him back to the \$150,000 in event sponsorships that staff had worked hard to solicit. He also expected savings from the Events Roadmap best practices implemented.

He agreed hotel motel tax grants should be the last priority, emphasizing a "revenue first, expenses second" approach. He acknowledged the premier athletic complex would

be a big driver for revenue. While noting some grant recipients do not necessarily put "heads in beds," he recognized they do great things for the City and residents. He reiterated his agreement that grants should be the last priority. He emphasized the need to think about priorities and maintain flexibility.

Regarding specific recommendations, Mr. Keeler suggested fixing hotel motel tax grants at \$250,000 instead of a percentage, which would create \$20,000-30,000 in Year One savings and growing amounts thereafter. He praised the City's ability to pivot during COVID by giving Visit Dublin and Arts Council \$300,000 in 2022, though noting this might have been allowed under the proposed policy.

He expressed preference for 3-year terms rather than 5-year terms for all agreements to maintain flexibility. For the Historical Society, he would accept either 3 or 5-year terms based on 2026 actuals with 3% inflation or whatever rate the City uses elsewhere, noting they revisit inflation every other year.

Ms. Johnson expressed general support for a fixed allocation framework, finding the presented numbers comfortable and aligned with the City's conservative fiscal policies. She agreed with Mr. Keeler on preferring 3-year over 5-year terms initially for flexibility. She requested to see memos from 2023 discussions regarding grant funding and the 25% match requirements to better understand the history. She expressed concern about not wanting to discourage new groups that are attempting to form and maybe new traditions in an increasingly diverse population within the City. She emphasized the importance of continuing to fund smaller events and help people get started.

Ms. Johnson confirmed her support for establishing a formal policy around the hotel motel tax fund and asked about the timeline for developing service frameworks, particularly given the Arts Council lease expiring soon. Ms. O'Callaghan responded that she hoped to have all three partners on the same cadence, with agreements ready for execution this year in preparation for 2027.

Mr. Keeler added a comment supporting Ms. Johnson's point about grants, noting that keeping the amount flat with a limited coffer would encourage organizations to fall off or use matching dollars to raise more money, creating opportunities for new organizations while encouraging existing ones to become more self-sustaining.

Ms. Alutto offered her perspectives, starting with a question about how the Sharing O' the Green program works. Mr. Rubino explained it involves revenue-sharing contracts with nonprofits for beverage sales at Dublin Irish Festival. Ms. Alutto asked specifically about credit card processing fees and whether they are passed on to organizations. Learning they currently are not, she identified this as an area for potential improvement and requested staff return with more information.

Regarding revenue decline provisions, Ms. Alutto suggested adding language that if there is a drop in revenue for three consecutive years, that payment allocations would be reviewed citing potential catastrophic situations that could take hotels offline.

Ms. Alutto disagreed with her colleagues about keeping grant funds at a flat dollar amount, having done that in the past. She stated that the entire purpose of a nonprofit is to go ask for money. While she does not oppose encouraging nonprofits to find

additional revenue sources, she emphasized that some nonprofits may never be fully self-sustainable due to size or limited scope.

She acknowledged that 6.5% might have been too much and would support reducing it. She asked for clarification on the annual determination process for grant amounts. Ms. O'Callaghan explained it would be part of the operating budget discussion, with staff monitoring fund performance and making recommendations for Council's consideration about a year before actual grant allocations.

Ms. Alutto expressed support for this approach over a flat fee or percentage, as it allows consideration of the overall economic landscape, inflation impacts, and fund balance goals. She supported the 50% fund balance reserve policy, appreciating how it protects against needing General Fund support during downturns like the pandemic.

She requested development of a rubric similar to other City policies for determining fund uses once targets are met. She expressed support for agreements with all three entities and comfort with 3-year initial terms given the rapid changes, particularly with the Bridge Park buildout, suggesting 5-year terms could follow once things stabilize.

She concluded by asking if additional direction was needed. Mr. Rubino indicated the comments were helpful and they had general agreement on direction for fund balance policy and agreements. Ms. O'Callaghan confirmed they had good direction and would expand upon the framework, draft the actual policy and agreements, and bring them back to the finance committee for recommendation to Council.

There being no further business to come before the Committee, the meeting adjourned at 5:38 p.m.



Chair, Finance Committee



Clerk of Council