DUBLIN CITY COUNCIL
WORK SESSION
OCTOBER 13, 2025

<u>Minutes</u>

Mayor Amorose Groomes called the Monday, October 13, 2025 work session to order at 6:02 p.m.

<u>Council members present</u>: Vice Mayor Alutto, Mayor Amorose Groomes, Ms. De Rosa, Ms. Fox, Mr. Keeler, Ms. Kramb and Mr. Reiner.

<u>Staff present:</u> Ms. O'Callaghan, Mr. Hartmann, Mr. Barker, Chief Paez, Mr. Rubino, Ms. Willis, Mr. Rayburn, Ms. Goliver, Ms. Blake, Ms. Hunter, Mr. Jiang, and Ms. Weisenauer.

<u>Also Present</u>: Brian Cooper and Tom Ricchiuto, Baker Tilly Municipal Advisors and Sherry Kish, Andrew Conley and Paul El Asmar, HNTB Consultants.

Ms. Kramb led the Pledge of Allegiance.

Debt Sensitivity Analysis

Mr. Rubino introduced Brian Cooper, Principal, and Tom Ricchiuto, Senior Manager at Baker Tilly Municipal Advisors, who would be providing the presentation.

Mr. Rubino explained that this was a timely topic that had been previously presented to the Finance Committee in August. He outlined that the presentation would cover credit ratings, debt sensitivity, and the City's debt profile in the context of the capital plan evaluation currently underway. He noted that the City had recently completed a round of debt issuance in late summer, resulting in four AAA credit ratings. Mr. Rubino outlined the key questions the presentation would address, which were:

- what credit ratings mean and why creditworthiness matters,
- the role of rating agencies,
- the significance of four AAA ratings for future debt plans,
- what the ratings reports reveal about the City's financial position, and
- how to balance capital investment needs with debt capacity.

Mr. Ricchiuto began by explaining that a credit rating is essentially a predictive score indicating the ability to repay financial obligations, similar to a personal FICO score but through a more formalized process. He confirmed that Dublin holds the highest AAA rating from all four primary credit rating agencies: Moody's, S&P, Fitch, and Kroll. He detailed how rating methodologies have become more transparent since the Great Recession of 2008-2009, with all agencies updating their methodologies within the last two to three years.

The rating agencies examine four main factors: local economy strength, financial performance including fund balances and cash balances, management practices and policies, and debt and liabilities. Qualitative factors such as industry concentration are also considered.

Mr. Ricchiuto explained the scoring process, noting that while Moody's and S&P provide more straightforward and predictable scorecards, Fitch and Kroll allow for more interpretive flexibility. He emphasized that the scorecard is a starting point for discussion, not a final determination, as rating committees of three to seven members ultimately vote on the final rating. Using Moody's as an example, he showed how they weigh different factors, with leverage (debt and liabilities) comprising 30% of the scorecard.

Presenting the rating scale, Mr. Ricchiuto showed that all agencies use AAA as their highest rating, with S&P, Fitch, and Kroll using identical systems (AAA, AA+, AA, AA-, etc.) while Moody's uses a slightly different notation (Aaa, Aa1, Aa2, Aa3, etc.). He traced Dublin's rating history, showing the City was first rated AA2 by Moody's 30 years ago, received its first AAA from Fitch in 2000, was upgraded to AAA by Moody's in 2004, added S&P's AAA in 2017, and most recently received Kroll's AAA in 2024.

Mr. Ricchiuto then discussed debt sensitivity analysis, examining how much additional debt the City could take on while maintaining its ratings. He presented the City's current debt portfolio, showing annual principal payments of $13-14 million over the next few years, with maximum annual debt service around $21 million. He noted that 63% of principal amortizes within 10 years, which is considered fairly aggressive and viewed favorably by rating agencies.

The presentation revealed different pressure points from each rating agency. Moody's indicated concern if leverage calculations reached 350%, while S&P was less prescriptive, stating they saw no near-term pressures unless fixed costs began impacting performance. Fitch emerged as the most conservative, with their model showing Dublin as a "low AAA" - maintaining the rating but at the lower end of the spectrum. Direct conversations with Fitch's analyst indicated approximately $50 million of additional debt following the August issuance could create rating pressure.

Based on calculations using 2024 audited financials, the team estimated pressure points for additional debt and found Fitch at around $50 million, while other agencies showed capacity well over $100 million. Mr. Ricchiuto emphasized these are estimates, not guarantees, and that rating decisions ultimately depend on committee deliberations rather than strict scorecard calculations. He also noted that economic downturns and pension liability changes could significantly impact these thresholds.

Mr. Cooper added context about Dublin's natural capital cycle, explaining that debt levels typically increase during heavy infrastructure periods then decrease as issuances become smaller. He emphasized the importance of sticking to capital plans, as rating agencies look unfavorably on significant deviations. Mr. Cooper also stressed that while debt payments are fixed, revenues can fluctuate, meaning new debt creates a "wedge" between future capital and operations that must be carefully managed.

Ms. Fox asked about ways to gain points with Fitch given their conservative stance. Mr. Ricchiuto responded that new revenue sources like voted levies could help, as they provide dedicated funding streams separate from income tax.

Ms. De Rosa inquired about the value of maintaining four rating agencies, to which Mr. Rubino and Mr. Ricchiuto explained that while not necessary, it demonstrates investor confidence and provides prestige, though it does increase administrative work and costs. Ms. De Rosa also pressed for tools to help Council make dynamic debt decisions, noting that normal business activities would likely require $10-15 million annually in new debt. She expressed concern about the debt schedule showing payments through 2045 and questioned how to absorb large purchases while managing ongoing needs.

Mr. Reiner appreciated knowing the boundaries for capital needs, referencing potential large investments in Metro Center and the sports complex. He recalled the difficult choices between capital and operations during the 2008 recession when the City had to freeze salaries.

Mr. Keeler viewed the analysis as a valuable "litmus test" but emphasized it represents a point in time that will change as revenues and the tax base grow. He cautioned about the diminishing utilization rates if too many chargers are deployed.

Mayor Amorose Groomes asked about whether state-level instability and external forces are considered in ratings, to which the presenters confirmed these factors are evaluated, particularly changes in state funding that could impact local governments. She also inquired about whether acquisitions of saleable assets like real estate are considered differently than infrastructure like bridges. Mr. Cooper explained that government ratings assume funding of non-liquid assets like fire stations and bridges, so asset liquidity does not factor into the methodology.

Vice Mayor Alutto emphasized that for her, the key issue was less about rating agency requirements and more about managing the City's growing capital and operational needs. She viewed the debt sensitivity analysis as one input for making difficult decisions about what to purchase and fund.

The presentation concluded with Mr. Rubino noting that staff had used Fitch's conservative $50 million threshold when developing the capital plan proposal, treating future debt estimates as not-to-exceed amounts. He also mentioned that financial policy discussions would continue into next year, including enterprise fund considerations in the first quarter.

Dublin EV Infrastructure Comprehensive Plan Follow-up

Ms. Willis introduced the revised Electric Vehicle (EV) Infrastructure Comprehensive Plan, explaining it was an important step in advancing Dublin's sustainability goals and preparing for continued EV growth. The plan reflected Council's feedback from October 2024 on supporting EV readiness through public charging, building standards, fleet transitions, and private sector partnerships.

Ms. Willis introduced Andrew Conley, Sherry Kish and Paul El Asmar from HNTB. Mr. Conley presented the comprehensive updates, beginning with benchmarking data showing Dublin's EV adoption rate at 14.62% compared to just 4% for the rest of Ohio - more than triple the state average. Dublin had received a $150,000 rebate through AEP's program and allocates nearly $16,000 annually for charger maintenance, positioning the City as a leader in infrastructure investment.

Addressing Council's previous questions about ownership models, Mr. Conley outlined three options:

Ownership Model	Description
Fully City Ownership (#1)	The City of Dublin owns, installs, operates, and maintains all EV charging stations, controlling pricing and keeping all revenue. This model requires the City to cover all costs and manage upgrades, relying on skilled staff or contracts, and involves the highest financial and resource risk.
City Owned, Vendor O&M (#2)	Dublin's current model has the City owning charging equipment while a vendor handles installation, operations, and maintenance. This approach ensures predictable costs, data access, reliable service, and lower operational risk.
Vendor Ownership (Lease) (#3)	A third-party vendor leases City land and handles all investment, installation, operation, and maintenance of EV charging stations. This minimizes cost and risk for the City but limits its control over pricing, operations, and data unless addressed in the lease.

The team continued to recommend the hybrid model, which Dublin currently uses, as it balances City control over pricing and design while avoiding the need for specialized staff and parts inventory.

Regarding changing technologies and grid capacity, Mr. Conley confirmed Ohio's electricity grid can handle the demand from EV chargers due to diverse energy sources and robust transmission infrastructure. The recommended 38 charging ports would not significantly strain the grid, though continued coordination with utilities was advised. The analysis found no commercially viable alternatives to battery-powered EVs for consumer vehicles, though the City fleet already utilizes compressed natural gas where appropriate.

The plan recommended conventional pedestal-mounted charging stations as the most cost-effective and familiar technology for consumers. While innovative solutions like overhead garage chargers, battery-integrated systems, and mobile chargers were acknowledged for specific use cases, inductive/wireless charging was not recommended due to high costs and lack of universal standards.

Based on federal policy changes and Council feedback, the team revised both adoption projections and deployment targets. The plan now recommends 36 Level 2 charging ports and 2 DC fast charging ports over 10 years, representing about 20% of the total 294 ports projected to be needed, with private sector expected to provide the remainder. Priority locations include eight publicly-owned sites and four locations for potential public-private partnerships. The two fast chargers were recommended for historic downtown Dublin due to existing high demand and proximity to I-270.

Financial analysis showed total capital investment of just over $1 million with annual costs of approximately $158,000 and estimated annual revenues of $313,000 over 10 years. The model assumed moderate fees of 26 cents per kilowatt-hour for Level 2 and 40 cents for DC fast charging - below private sector rates of 50-75 cents. Level 2 chargers would break even in 3-4 years, while DC fast chargers would take 8 years, with overall net positive returns over the 10-year lifecycle.

Current utilization data showed Dublin's chargers operating at nearly three times the national average during business hours. The plan recommended implementing fees both for cost recovery and to address charging etiquette issues, with escalating penalties for overstaying completed charging sessions. User notifications and universal port compatibility were also recommended.

For policy updates, the plan suggested encouraging EV-ready construction in new developments through education rather than mandates for residential, while exploring requirements for commercial developments to include EV-ready infrastructure. Fleet management would continue targeting 45% light-duty EV adoption by 2035, aligned with the sustainability plan.

Ms. Kramb supported the ownership model and revised numbers but urged that overstay fees be "punitive." She added that since Dublin does not charge for parking - suggesting people might pay $10 to stay an extra hour otherwise. She later proposed eliminating the two expensive fast chargers to fund more Level 2 stations.

Mr. Keeler appreciated the 10-year runway allowing for adaptation as technology and adoption change. He favored leaning heavily on "privateers" like Metro Center and Bridge Park to carry the burden, supported charging fees, and cautioned about diminishing returns if too many chargers reduce utilization rates below 30%.

Mr. Reiner agreed the $155,000 investment was reasonable but worried more about AI consuming electricity than EVs. He suggested landscaping around EV parking areas similar to shopping cart corrals to make them easily identifiable for visitors.

Vice Mayor Alutto emphasized the need for accessible spots, noting they benefit not just those with mobility issues but also parents with small children. She supported Ms. Kramb's suggestion to eliminate fast chargers and implement graduated fees based on residency. She also questioned the method of enforcement against non-EV vehicles parking in charging spots.

Ms. De Rosa expressed skepticism about the limited scope of the plan, questioning the installation of only 34 chargers when 294 are needed in 10 years. She struggled with whether the City should be more aggressive or leave it entirely to private sector, suggesting that 2-3 chargers annually seemed like a minor improvement rather than meaningful impact. She later agreed with eliminating fast chargers to fund more Level 2 stations.

Ms. Fox questioned whether the market should drive installation and suggested incentivizing private gas stations to install chargers rather than the City funding them directly. She felt chargers belong at gas stations where people expect to refuel, proposing using saved fast charger funds as incentives for private installations, similar to facade improvement programs.

Mayor Amorose Groomes noted utilization rates might decrease once charging fees begin. She explained the technology's convenience features including smartphone apps showing charge status and available stations. She strongly supported differential pricing for residents versus non-residents and potentially free charging for City employees as an adoption incentive.

The Mayor emphasized that if Dublin claims sustainability as a key hallmark, "we need to lead by example" and align behaviors with stated values. She opposed fast chargers, noting the significant grid impact. She suggested time limits on charging sessions since the goal is supporting sustainability. She also proposed requiring new housing developments to either provide public charging or wire garages for 220V power, believing builders would choose the cheaper garage wiring option.

The discussion revealed general consensus on eliminating the two fast chargers to fund additional Level 2 stations, implementing graduated fee structures with resident discounts and escalating overstay penalties, and focusing on strategic deployment rather than trying to meet the full projected need. Council members emphasized letting private sector handle fast charging while the City provides convenient Level 2 charging at key municipal facilities.

The plan will be revised accordingly and brought back to Council at a future meeting.

There being no further business for discussion, the meeting was adjourned at 8:06 p.m.

Presiding Officer - Mayor

Jennifer Delgado

Clerk of Council