

DUBLIN CITY COUNCIL
FINANCE COMMITTEE MEETING OF THE WHOLE
Five-Year Capital Improvements Plan Review
Wednesday, August 29, 2018
Council Chambers

Minutes of Meeting

Ms. Alutto called the meeting to order at 6:30 p.m.

Council Members Present: Mayor Peterson, Vice Mayor Amorose Groomes, Ms. Alutto, Ms. De Rosa and Ms. Fox. Mr. Reiner arrived at 6:31 p.m. Mr. Keenan was absent (excused).

Staff present: Mr. McDaniel, Ms. Crandall, Ms. Mumma, Ms. Readler, Chief Von Eckartsberg, Ms. Goss, Mr. Earman, Mr. McCollough, Ms. O'Callaghan, Ms. Kennedy, Ms. Richison, Mr. Garwick, Ms. Cox, Mr. Stiffler, Mr. Syler, Mr. Ashford, Ms. Burness, Mr. Clark, Mr. Anderson, Ms. Rauch, Mr. Papsidero and Mr. Plouck.

2019-2023 Proposed CIP (Continued)

Ms. Alutto stated that she believes it is important for this fairly new Council to have a good understanding of what is in the CIP and how the policy was formed. She stated that Dublin matures quickly as a City and the time is approaching for us to review how we budget in terms of expenditures, capital projects and revenues. Council's decisions to be made are based on data driven analytics, but using intuition as well. She stated that staff needs final direction to bring the CIP forward to the Council meeting of September 10. She also stated that there are additional agenda items for a workshop discussion, if time permits.

Ms. Alutto suggested that Council members be mindful of the following as they listen to Ms. Mumma's presentation:

- An open and honest debt discussion and challenging assumptions;
- Building in some additional assumptions around capital spending, particularly in the out years;
- Desire to pull together the maintenance items and look at actuals;
- Job analysis discussion; and
- Discussion about what measures and metrics to use – are we using the right method?

Ms. Mumma stated that she prepared the presentation for this meeting in response to questions she received from Council Members. This presentation has two parts: historical debt levels and maintenance. She referenced the debt presentation provided in April and explained that the debt level goes up in response to the development and growth of the City. She narrowed the focus to the years 2012-2017.

- In 2012, \$7 million in debt was issued for LED Street Lights (10 year bonds), the Dublin Road Water Tower and Sewer Improvements (both 20 year bonds).

Unless stated otherwise, Ms. Mumma stated that Council can assume for the purposes of the presentation that the bonds are 20 year bonds.

- In 2013 and 2014, there was one bond issue for \$21.7 million that was split into two years to achieve some savings. This amount includes an \$11.8 million refund to eliminate the Build America bonds that were outstanding. The federal government eliminated the subsidy so these bonds are not as attractive as they once were. The \$21.7 million was used for

Emerald Parkway Phase 8, 270/33 Interchange, and land acquisition for the Roundabout and Riverside Drive alignment.

- In 2015 was the large issuance for Bridge Park and Bridge Street District for \$81.2 million. There was a component in this issuance for the Justice Center renovation, sewer improvements and the Riverside Drive realignment and the roundabout, and the Bridge Park roadway and parking garages. The Bridge Park Roadway network as well as the parking garages were covered by a minimum service payment that is in place with Crawford Hoying.
- In 2016, \$9.3 million was issued for John Shields Parkway Phase 2.
- In 2017, \$31.88 million was issued for the Service Center renovations, sewer improvements, the pedestrian bridge and North High Street.

Ms. Mumma then shared an illustration showing the source of funding for each of these projects previously listed. When looking at the debt issued for 2012-2017, it can be characterized in two ways: Council Priorities and "traditional" city projects. The Council priorities were sewer extensions and Bridge Street District, which totaled \$116.7 million. The remaining were City projects that totaled around \$34 million. The six-year average is around \$5.7 million in debt and, excluding the City facilities, that average goes down to \$3.4 million. City facilities is not something that the City routinely undertakes.

The current and future debt profile slide illustrated the total outstanding principle from 2018 – 2030. The outstanding principle goes from \$157 million in 2018, down to \$60 million in 2030 if nothing else is done moving forward. Council requested staff to run various scenarios issuing different amounts of debt from 2019 through 2030. The scenarios are as follows:

- Scenario 1: Issue \$21.8 million in debt (par amount) in 2018 only – this is the status quo and the other scenarios build upon this;
- Scenario 2: Issue \$15 million in debt (par amount) each year from 2019-2030;
 - \$10 million income tax supported;
 - \$5 million sewer supported.
- Scenario 3: Issue \$20 million in debt (par amount) each year from 2019-2030;
 - \$15 million income tax supported;
 - \$5 million sewer supported.
- Scenario 4: Issue \$25 million in debt (par amount) each year from 2019-2030; and
 - \$20 million income tax supported;
 - \$5 million sewer supported.
- Scenario 5: Administration's recommendation as part of the 2019-2030 CIP.

Ms. Mumma stated that as these scenarios are reviewed, it is important to remember:

- Scenarios are based solely on income tax revenues as funding for the debt service, therefore it is the most conservative scenario staff can present;
- City Council adopted a Debt Policy that ensures our capabilities are not exceeded;
- The proposed 2019-2023 CIP is in accordance with the adopted Debt Policy (see Scenario 5); and
- Looking at the average debt over the last five years isn't an accurate method to predict the future.

The scenarios requested are in excess of the City's average annual debt issuance when Council priorities such as sewer extensions and Bridge Street are excluded. The significant investment that the City has made in the last five years in order to start the development of Bridge Street District is not something that she expects to be repeated year after year. Ms. Mumma then showed each

scenario in a bar graph visual. She also included with each scenario a graph showing reserve amount set aside to retire debt service from the income tax allocation. 25% of income tax revenue goes to the Capital Improvement Tax Fund and of that, per the City's policy, 60% is allocated to retire debt. What is not spent on that can be used to cash fund other projects. As the slides illustrate for Scenario 1, issuing \$21.8 million does not bring the City close to hitting capacity. She reviewed each slide and explained each visual for the different scenarios. She also noted that these Scenarios, with exception to the first would not be brought forward to Council as part of a CIP because they are all in excess of capabilities. Scenario 5 is in accordance with the proposed 2019-2023 CIP. This Scenario doesn't consider additional debt service beyond 2023. She noted there is still the ability to pay the debt service as proposed in this scenario.

Ms. De Rosa clarified that this is the proposal that shows no change in years four and five.

Ms. Mumma stated that was correct.

Ms. De Rosa noted that in those outer years, the debt was very small.

Ms. Mumma stated that was correct.

Mr. McDaniel added that it was intentionally proposed in that way.

Ms. Mumma provided an illustration of the principal outstanding as of 12/31 in each scenario to answer any questions about how quickly debt is paid down. This five-year CIP proposes \$77.90 million for overall maintenance and \$128.7 million in enhancements and new programs.

She then focused on the spreadsheet, which was developed by Ms. De Rosa. Ms. Mumma explained the information provided in the spreadsheet. She focused on the resources to fund capital requests, looking specifically at the income tax allocation – cash funding, which illustrates that the \$8.6 million allocated every year is insufficient to fund the maintenance costs by itself. There are other sources of funding that can be used to pay for maintenance costs, such as the parkland acquisition fund, TIF Funds, Hotel/Motel funds, etc.

In response to the concern that showing a flat level of maintenance may not be acceptable, Ms. Mumma stated that in looking at 2016, 2017, year-to-date 2018, and what is projected for 2019, staff selected large maintenance line items to review what was previously spent and to illustrate that the five year CIP (2019-2023) is appropriate to maintain the assets that the City has. She pointed out that, fortunately, the CIP is reviewed every year, which allows the opportunity to revise it if something changes.

Mr. McDaniel stated that Council can review and revise the CIP at any time. He added that staff monitors the CIP closely as well. If there is a maintenance crisis, for example, staff would make sure there is funding to cover it. If there isn't, staff would come forward and request re-balancing the budget. Maintenance is difficult to project, but staff inventories assets and rates their condition.

Ms. Mumma stated that the programming can change as well, depending on the weather or lower bids. There is some flexibility to shift projects if needed. Debt is not issued for maintenance projects and therefore funding must come from cash.

In response to Ms. De Rosa's question, Ms. Mumma stated that the man hole lining on the sewer projects is considered maintenance, but has a useful life of over 20 years.

In response to Ms. De Rosa's question regarding policy and issuance of debt for this type of project, Ms. Mumma stated that she has to certify that the useful life of whatever the City is issuing debt on extends beyond the payment period.

In response to Mayor Peterson's question regarding the numbers, Ms. Mumma confirmed that those are actual numbers for 2018 year-to-date.

Ms. Mumma reiterated that the first sheet of the spreadsheet provided to Council at the meeting

showed maintenance only. The second sheet shows all projects with the gross cost totaling \$207.9 million and the resources to fund the requests. When taking all sources into consideration, the revenues that are available to fund projects exceed the project costs. If that were not the case, then staff would be proposing an unbalanced CIP.

Ms. Mumma reviewed the key take-aways, which are:

- A decrease in debt service payments increases the funding available to cash fund projects;
- The distribution of inside millage.
 - .35 mils of the 1.75 inside millage is credited to the parkland acquisition fund; this is \$780,000 annually, which is revenue going into the parkland fund.
 - 1.4 mils, the balance of the inside millage goes to the Capital Improvement Tax Fund, which is \$3.1 million annually.
 - If Council were to increase the funding to the parkland acquisition fund, it decreases the cash that is available in the Capital Improvement Tax Fund and vice versa. Therefore, if Council were not putting \$780,000 in parkland acquisition, it would make more resources available to either reduce debt issued or cash fund more projects.
- Look at priorities for capital program and balance the funding needed to maintain our assets against the need for new enhancements. Administration believes that they cannot allow the existing assets to suffer at the expense of new projects.

Ms. Mumma stated there are five projects proposed in the Five-Year CIP for which the City would issue debt:

- Riverside Crossing Park – \$17.8 million, with that debt being issued between 2019-2021;
- North Pool Rebuild – \$6 million (2020);
- Hyland-Croy Roadway Improvements (partial) – \$2.5 million (2021);
- River Forest Roadway and Stormwater Improvements – \$1.8 million (2022); and
- Sewer Extensions – almost \$16 million (2019-2023).

Ms. Mumma stated that there are some key decisions that Council must make for the CIP. The key decisions that are to be considered are to:

- Reduce or postpone debt funded projects;
- Reduce maintenance spending to make more cash available on the projects proposed (as opposed to issuing debt); or
- Reduce other new asset enhancements to make more cash available to spend on the projects proposed.

Ms. Mumma provided a slide illustrating the income tax funded project totals for the proposed CIP. There are nearly \$28 million in debt financed projects, \$72.1 million in cash funded maintenance, and \$30.5 million in cash funded enhancements and new assets for a total of \$130.7 million in projects over the five-year period. She is not including anything that has any other source of revenue in the chart shown. She shared a slide showing all of the cash financed projects.

Ms. De Rosa asked to see the annual revenues added to the information Ms. Mumma has provided. It would be worthwhile to see the debt and revenue together because she believes one of the reasons we were able to recover the debt over time is the revenue was there to cash fund more at the time. The other factor that has not been discussed is growth in revenue.

[Mr. McDaniel asked Ms. Crandall to print copies for Council of the information that Ms. Mumma provided so Council could have it in front of them.]

Ms. Alutto stated that she felt it would be helpful to do a scenario based upon what the six-year average is, realizing that there will be some years that will be higher and some lower.

Ms. De Rosa stated that the current scenario proposed in the CIP is issuing \$21.8 this year and then \$14.8 million for 2019, \$14.6 million for 2020, \$9 million in 2021, \$5 million in 2022 and \$.4 million in 2023. It is important to look at the decisions we are making and what it does to the debt policy further down the line. We would get to 2025 and couldn't issue debt because we would be violating policy; or if we were to issue \$20 million as issued this year, (Scenario 3 - \$20 million every year), we would hit that "wall" by 2023. She doesn't believe that Council, in the outer years, would be comfortable saying that we could only issue \$.4 million in debt in 2023 to be able to do the things we would want to be able to do at that point. The decisions in this CIP -- unless the revenues begin to grow -- we put us in a position in a few years' time where we won't be able to do substantial things. We are struggling to cover maintenance costs without issuing debt. It is an important consideration to think about how the amount of debt and how much debt capacity that allows us in the future.

Mr. McDaniel stated that it is important to point out that the strategy behind the capital budget he is presenting is that he would never go in the direction of exceeding debt policy. It does show less debt in the out years, but there are two reasons for that: he cannot predict the future and he cut back a lot of requests. He ensured that his recommendation is well within our capability. He doesn't want to put substantial debt on the out years because he wants to provide Council with the maximum flexibility to be able to respond to opportunities, should they arise. He understands the reasoning behind wanting to know the capabilities, but currently, the City is operating at about 50% of what we are able to do. To assume a \$10-\$15 million dollar a year scenario would not be something he would recommend.

Ms. De Rosa noted that the proposal is for \$15 million in the early years, so she wants to ensure that future Councils have the debt capacity to do some things they want to do.

Ms. Alutto stated that this is where the difficult questions come in. There are a certain number of projects, maintenance etc., and the issue is what needs to happen to bring Council to a comfort zone in terms of issuing debt in the coming years.

Vice Mayor Amorose Groomes stated that she has not absorbed all this information yet, but she believes that the saying, "you have to spend money to make money," is certainly true. This City has done that really well. It would be interesting to see what did our spending make year-over-year versus our current spending. She would like to see the return on investment since so much of the spending and debt occurred out of necessity. We invested in Emerald Parkway, for example, to attract new companies. The last three or four CIP's have had a theoretical return on investment. She agrees with Ms. De Rosa in that there will likely be larger "asks" to come in the outer years. She used the example of the Rings Road development that was not in the CIP two or three years ago, but reflects wise spending for future development and growth. She does not propose that we do not undertake these things, but it is wise to look at the scenarios. She is concerned that the proposed CIP is likely accurate for the next two years but not for the next 5, 7 or 10 years out. She believes that Scenario 2 is probably realistic and where that scenario hits the threshold of exceeding debt capacity is alarming.

Ms. Alutto related that it is a challenge to balance the proposal in the out years, and then try to understand and comprehend where that will lead. She likes the data driven approach and believes that dealing with the scenarios helps to inform Council from a policy perspective.

Ms. Fox stated that this information is very helpful. These scenarios can help as we look at the CIP to determine what might be a luxury versus necessity. As far as defining strategies, she wanted

some definition from the other members of Council because there seem to be a lot of options, such as:

- Cut CIP projects;
- Cut maintenance;
- Change percentage that we use for debt;
- Remain hopeful and optimistic that income levels will rise; and
- Find operating efficiencies.

This is where the waterfall effect really comes into play for her. It is important to look at a new focus on economic development and new higher paying jobs. The cost of continuing to build residences – how big do we want this City to become? Every year we have the opportunity to look at these variable again. As with any budget, it is important to plan for a rainy day.

Mr. Reiner stated that we could look back at the original direction we had for the City and encouraging subdivisions that create wealth to counter the effects of their creation. His thought was, “do we really need a new City Hall?” That project could be pushed out a number of years. If Council members are not comfortable with the plan, then there are ways to recoup and recapitalize our money. The ideas of future revenue and planning are critical. The City is based on how the land is used, which determines whether you will create wealth or lose wealth. Land is our last asset. How the Planning division encourages projects that will generate revenue is very important. This requires a decision of City Council about controlling land use.

Mayor Peterson stated that this is a really important analysis. There are five projects that we must decide upon in terms of whether or not we want to take on debt to fund them. Councils go through this process every year. The City is growing, the economy is much bigger, the complexity is more sophisticated. It is important to be mindful of the scenarios, but we have to have confidence in our economy and staff. He asked Ms. Mumma if there are points shown on the slide where we exceed the debt capacity and create a real concern.

Ms. Mumma stated that anything that would not be in accordance with policy or anything that is approaching that limit of what we set aside would be of concern. She added that staff would never recommend that.

Mayor Peterson asked if that means that if a scenario played out and we were approaching a limit, would there be only three projects instead of five?

Ms. Mumma stated that what it means is that each year with the CIP, you would have to free up space either by delaying capital enhancements or reducing maintenance in order to meet the debt service. Once debt is incurred, it is incurred until it is paid off.

Mayor Peterson clarified that if we were on a trajectory that indicated we were going to get to the limit, the CIP’s proposed in those years would be reduced to make certain that scenario doesn’t happen.

Ms. Mumma stated that was correct. She would not be proposing CIP’s that recommend \$10 million in income tax supported debt.

Mayor Peterson stated that, to Ms. De Rosa’s point, in order to avoid approaching a limitation, we need to plan now.

Ms. Mumma stated that was correct. If our income tax revenues remain flat at \$86 million a year and we issued \$21.8 million dollars this year and \$10 million every year from 2019-2026, that would be the point where the 60% allocation would not be sufficient to cover the minimum debt service. That is assuming that we are all income tax funded and every piece of debt we issued was for a project that did not have alternate sources of funding.

Mayor Peterson stated that the parking garage, for example, is not on these charts because of other funding sources.

Ms. Mumma stated the parking garage has alternate sources of funding so it would not be included on the charts referenced.

Mayor Peterson stated if we look strictly at the projects that the tax payers have to pay for and we continue the trajectory of \$21.8 million this year and \$10 million the following years, we would reach the limit capacity by 2026.

Ms. Mumma stated that was correct.

Mayor Peterson stated there are a number of things that could be done to ensure that doesn't happen. He believes that staff would never allow the City to spiral to a limit of debt capacity.

Ms. De Rosa stated that the second spreadsheet that Ms. Mumma provided shows the City taking on \$15 million in 2019, \$15 million in 2020, \$9 million in 2021, \$5 million in 2022, and virtually no debt capacity in 2023. The reality is that in 2023, Council has no debt capacity.

Ms. Mumma stated that she provided what Scenario 5 looks like for 2019-2023.

Ms. De Rosa believes that the Council in 2023 has no leverage to pull from the debt capacity. Her concern is that, as you get farther out, there is no more room for debt.

Ms. Mumma explained that there is still room for additional debt in 2023 and illustrated that with a bar graph.

Mr. McDaniel stated that we have the ability but we haven't programmed it. That ability would exist in the out years.

Ms. Alutto stated that in years 2022-2023, the \$5.3 million and the \$365,000 are not accurate representations of where we are likely to be in terms of the amount of income tax debt we are issuing.

Ms. De Rosa stated that if past practice holds going forward, she finds it hard to believe that there won't be something that Council really wants to do.

Ms. Alutto stated that this is why she believes looking at the six-year average is so important because it would be more accurate to project.

Vice Mayor Amorose Groomes stated that this is what we committed to, so it is not theoretical. She believes we may be taking some of the outliers and applying larger amounts across the years when that may not be accurate. She has made the request to see that in a chart from Ms. Mumma.

Ms. Mumma has agreed to provide that.

Ms. De Rosa stated that the other thing that is possible is changing the 75%/25% split. Is there a reason it couldn't be 70%/30%?

Ms. Mumma stated that the floor is 25%. It was built into the Ordinance that the voters approved that at least 25% had to be allocated.

Ms. De Rosa stated there are a lot of options, but there are consequences to those options. She appreciates the maintenance schedule that Ms. Mumma put together. It is useful to look at what could be trimmed and what effect that would have.

Ms. Mumma stated that the spreadsheet Ms. De Rosa is looking at shows the funds that were budgeted by year, but that doesn't mean that all the funds were expended in that year – there may have been some carry over.

Ms. De Rosa stated there are interesting opportunities as to choices and projects. Looking at the actuals can show if any monies could be freed up in those line items.

Mr. McDaniel stated that he wanted Council to keep in mind that the City wasn't doing maintenance at the level it should have been a few years ago. The maintenance that he is including in the CIP is less than what was requested in order to balance the other cash capital projects and the potential

for debt projects. When it comes to maintenance, cash is priority one; debt financed projects are priority two; and the third priority is enhancements/new projects. If Council want to pull some levers, and move money around, he would request they look at them by priority. He has already trimmed back maintenance. He is trying to level set the amount that staff could effectively manage and execute. He believes maintenance budget is as tight as he can make it but it is certainly up to Council.

Mr. Reiner stated that maintenance and debt finance are non-negotiable as a City. If something is to be trimmed, it would have to be the new enhancements. It is a worthwhile endeavor to go through this exercise.

Vice Mayor Amorose Groomes asked why Scenario 2 charts look so different from Scenario 5 when the amount of debt over the five-year period is the same.

Ms. Mumma stated that Scenario 2 continues into the future at \$10 million each year.

Vice Mayor Amorose Groomes suggested it be capped at 2023 and look at only those five years. We would be incurring approximately \$50 million in debt over those five years. Shouldn't they look the same?

Ms. Mumma stated that the bottom line of the spreadsheet is all debt and a large portion of that debt is sewer related. The other sheet is showing only income tax related.

Vice Mayor Amorose Groomes asked why Sewer would be separated.

Ms. Mumma stated she is centering the conversation around the income tax allocation that is used to pay for debt service, so the discussion is about what debt financed projects are we funding through income tax allocation.

Ms. Alutto suggested shifting the conversation over to the revenue side and then circling back to this discussion.

Ms. Mumma stated, in response to Vice Mayor Amorose Groomes' previous question, that in terms of income tax funded projects, the difference between Scenarios 2 and 5 is that Scenario 5 shows \$10.5 million in 2019, \$10.2 million in 2020, \$5.3 million in 2021 and down to \$1.8 million in 2022 and nothing in 2023. Scenario 2 shows \$24 million more in debt than is being proposed as part of the CIP.

Vice Mayor Amorose Groomes asked if it would be fair to categorize the commitment to Scenario 5 is to assume that we are not going to do anything of significance that is debt funded after 2023.

Mr. Reiner stated that there were no major improvements until Bridge Street. With the land that remains to be developed, there likely won't be a project of that size again. There is a lot of "fluff" in the CIP, given things such as replacement and repair of sidewalks at City cost.

Ms. Fox asked Mr. McDaniel, if you look at the average over the years, each year when a CIP is done, what would be the reasonable amount proposed for debt funding?

Mr. McDaniel stated that he believes in cycles. You have to spend money to have a return on investment. He doesn't know the actual return on investment, but the Bridge Street project has been a success. The office space is wildly popular in the area. He would recommend investing in that, for example. The cycles reflect proportionately to our population. There is still land left undeveloped; in fact, about 2,000 commercial acres in the business districts are not developed. Staff is always looking at market share and generating jobs, but he would never recommend a budget based off of projections. Discussions have been held for years regarding future Councils and opportunities, but where we see this big leap is in the investment. The parking garage for example, would not have been anticipated. There was an opportunity to solve an issue that has existed for years, so the timing was right to execute it. The water/sewer extension program wasn't

tackled for years because of the impact that it has on budgeting. Council has made the decision to tackle the problem and now it is a matter of spreading it out over a number of years. The decision was made recently to invest in our City facilities and so we set those conditions in the future. The City has made conscious decisions to invest in the future, more permanent situations rather than piece-meal.

Mayor Peterson inquired about separating the different funding types on one of the charts provided in the presentation as a visual reference.

Ms. Mumma provided a visual that Council had reviewed in April of this year, which included a historical look at our debt service from the year 2000. She explained what each bar represents on the visual.

Mayor Peterson inquired whether or not the numbers would continue to trend up.

Ms. Mumma stated that her priority with any CIP is to look at the project and tap any other resource the City may have to pay for it. As more TIFs are created, as property values go up within our TIF areas, and because staff is conservative, projects can be listed as improvements that are TIF eligible.

Mr. Reiner stated that revenue is unrealized. There have been huge jumps in the City in population and development.

Mr. McDaniel stated that there are future items to think about that are important, including Frantz Road/Post Road Improvement, John Shields Parkway over the river, etc. Staff would likely not recommend some of these unless there were TIF revenues available, or additional development that would drive the need for the project. He wants Council to be able to be reactive to opportunities that come along. When thinking about projects down the road, there may be the ability to cash fund those projects because of the investments that are being made today. There have been investments made in Bridge Park, Bridge Street District, the DCAP Study, West Innovation District and Shier Rings Road.

Ms. Fox stated that she believes in the cyclical pattern, too. She is also fiscally conservative. If there is an average, we need to build in the average. The City has made some great investments, but sometimes it's necessary to cut back and be more conservative. If \$5 million makes Council more comfortable and takes the worry of exceeding our debt capacity away, then we need to figure out a way to cut a little bit and give some breathing room.

Mr. Reiner stated that had the City not made these investments, a lot of CEO-types would have moved away. He is looking forward to the completion of the pedestrian bridge.

Ms. De Rosa asked how we ensure revenue growth and how do we ensure the success? She referred to a spreadsheet that she created showing some numbers taken from financial statements of what the revenues have been from 2013-2017. She removed net profits and looked at salaries. If the goal is return on investment and to drive job growth, she wanted to look at how many jobs do we have in Dublin today if the average taxable income is \$45,000, \$50,000, \$65,000 and \$75,000. The spreadsheet she shared showed:

Average Taxable Income	# of Jobs in 2013	# of Jobs in 2014	# of Jobs in 2015	# of Jobs in 2016	# of Jobs in 2017
\$45,000	77,805	83,899	85,640	88,048	86,185
\$50,000	70,024	75,509	77,076	79,244	77,567
\$65,000	53,865	58,084	59,289	60,957	59,667
\$75,000	46,683	50,339	51,384	52,829	51,711

Ms. De Rosa stated that if the City wants to add \$5 million dollars to the \$86 million of revenue and we assumed that the job average was higher, at \$75,000, then we would need to add 3,000 new jobs to be able to add the \$5 million. If the job average income was \$50,000, then we would need to add 5,000 new jobs to get to the \$5 million increase. She offered this spreadsheet to illustrate that these numbers are not insurmountable, but are quite reasonable given the growth of the City. It is important to get a handle on what salary levels we are bringing in at Bridge Park. She would like to see what kind of job growth we are seeing and obtain the data on how many new jobs are created each year. What is the City doing to bring in those 5,000 jobs? She encourages discussion on this topic. She would like to see in the operating budget, what is being done to specifically:

- increase jobs,
- offer specific programs to get jobs, and
- ensure that we are getting that job growth.

Ms. De Rosa stated that she is asking how many jobs we have, what industries they are, and what is the plan in the CIP to add 10,000 or whatever number of jobs. She wants a specific plan. She understands the data will take a little time to collect, but believes it to be a useful discussion around the operating budget. The City has made a huge investment, so we need to make sure the jobs come as a result.

Mr. Reiner stated that it would be interesting to see on a quarterly basis how many jobs we are getting within the City. There have been losses due to some businesses moving or consolidating, but we have done a good job of keeping up despite the losses.

Ms. Alutto stated it would be useful to put together some models in terms of what our income tax growth could look like, based on different variables on both the capital expenditure side and also on the revenue side. She is not sure it is relative to the CIP discussion, other than to say she would like to see it up against the CIP.

Mr. McDaniel stated he would welcome that discussion and that it was a retreat topic from Council's goal setting. As a result of his evaluation and feedback, he would like to deepen the discussion on the Council's standing committee structure. He believes that it is in the committee format that this kind of work needs done. This is an important topic that needs to have dialogue and vetting. He would like the opportunity for Council to be able to spend the time with staff to talk about all the programs and services that we do and try to keep a forward thinking approach. He is concerned about the changing workforce and the change in business and agrees that Council and staff should have that discussion. He would like to consider the format for those discussion that would work best. He suggested that if Council could utilize a strong committee system to discuss these issues and bring recommendations back to the whole, it would be helpful. He would welcome a deeper discussion about exploring the committee structure.

Mr. Reiner asked if we have explored these things before from the tax department.

Ms. Mumma stated that it is a challenge because there are certain challenges that come from collecting data. For example, staff cannot use any data collected from income tax returns. She is only able to report on the aggregate. When they receive the W-2 forms there is no way of deciphering whether those are full-time jobs, part-time jobs, or seasonal. Even on the aggregate, it is difficult to make any truly accurate assumptions with information from taxes given its restrictive nature.

Mr. McDaniel stated that some of the things we were able to do, for example, is the Battelle study where we were able to isolate industry clusters, dying industry clusters, size, scope and scaling. It is important to know and understand going into information like this that we are making some

assumptions. The City has engaged a data analytics firm to study revenue projections. They have used a baseline history against future projections, but he is asking them to look at trends globally. Ms. De Rosa stated that the good news is that this is a definable universe. If we do this really well, we will have a competitive advantage in data and understanding. She knows staff is working on these things, but she would like to consider thinking about how we work on those things now rather than another project. She believes this would be a very worthwhile short term project.

Ms. Alutto asked Council Members for their view on the path forward toward the CIP adoption.

Mayor Peterson stated that Council has raised a lot of important issues that we need to keep in mind as discussions continue. He is supportive of the CIP as it is proposed. He would like to see the 6 to 8-year average that Ms. Fox and Ms. Alutto spoke about earlier. He believes the CIP is an important document that needs to be approved in a timely manner. He would like the committees to review some of these other issues as Mr. McDaniel has suggested.

Ms. Alutto stated that we could have committees work on future CIPs and the methodology. She would like to have that discussion. She asked if any member of Council had comments on how to direct staff regarding the CIP as proposed.

Mr. Reiner stated that he is fine with the proposed CIP. He has no issue with pushing out the new City Hall building and he isn't certain that Hyland Croy improvements are a necessary item at this time. He could recommend some cuts if Council would like to have those discussions, but he doesn't believe the City's financial position warrants that.

Vice Mayor Amorose Groomes stated that she believes the transportation items are a priority due to dangerous conditions that exist. She would not be willing to delay some of those. Council has talked about the Riverside Crossing park extensively and there were members of Council that did not have a tremendous level of comfort with the park. Perhaps some of the elements of the park could be reviewed, such as retaining walls for example. If she were to consider CIP projects for removal, she would not consider Hyland Croy. However, she would consider some of the finishes to the plazas of the park area.

Ms. Alutto asked if Vice Mayor Amorose Groomes would like additional time for discussion of those items.

Vice Mayor Amorose Groomes stated that Council received a tremendous amount of information at this meeting and she would like time to study it. She is not prepared to answer specific questions about the material presented

Ms. De Rosa stated it would be helpful to provide a couple of scenarios about deferring a project, while keeping others. She isn't certain what specific projects to consider yet, but it would be helpful in discussion. She reiterated that she is concerned with future Councils having flexibility. She would like to see some examples of less each year and talk through what it really looks like. In addition, when the operating budget comes before Council, she wants to see a plan to bolster the economic development revenue generating side. She knows staff is working on these things, but would like to see how we are ensuring that growth.

Ms. Fox stated that looking at averages would be helpful in determining what to spend. If you have to take on debt, you don't want to be pushed against a wall. There are some line items that

she believes could be cut. If there were an opportunity to talk about potential items to cut, she could share those. This is an opportunity to create objectives and Council then has a criteria and focus to balance those objective that are set. She would be more comfortable seeing an average over the next 30 years.

Ms. Alutto stated that she agrees. She asked Ms. Mumma the best way to move forward knowing that Council has some items they want to think about. She suggested each Council Member send their input to her or to Mr. McDaniel.

Mr. McDaniel stated that he recommends looking at the list of projects that was shown. If there is something Council needs to know more about, please let him know so he can better prepare and understand where Council is coming from. Regarding committee structure, the committees and their roles are defined in the Council Rules of Order. He suggested Council start to leverage the committees. He would like to refer the economic development analysis to the Community Development Committee where the Economic Development Department can have these discussions with that committee.

In response to Ms. Alutto, Mr. McDaniel stated he would like Council to forward their items and questions to him directly. He will email Council members a proposal for a schedule and topics relative to the Community Development Committee and topics regarding economic development as we prepare to turn to the operating budget.

Ms. Alutto inquired if the follow-up CIP conversation should occur at the next Council Meeting. In response to Mayor Peterson's question of staff's intent for Council adoption of the CIP, Ms. Mumma stated it is scheduled on the September 10 council agenda.

Brief discussion followed regarding the upcoming work sessions and topics.

Vice Mayor Amorose Groomes stated that the Finance Committee of the Whole is due to meet again on September 10 prior to the Council Meeting to continue the cost study discussion. Could the cost study be postponed to allow another CIP discussion on September 10th?

Ms. Mumma stated that it would be good to complete the CIP discussion so that we can transition into operating budget.

Vice Mayor Amorose Groomes suggested they could change the topic of the already scheduled Finance Committee of the Whole meeting on the 10th to allow for another CIP discussion.

Ms. Alutto agreed.

Vice Mayor Amorose Groomes stated that the cost study wrap up could be tacked on to another meeting.

Mr. McDaniel agreed, adding that staff has some courses of action to discuss regarding the cost study next steps.

Ms. Mumma stated that she will run a scenario using the averages, but reiterated that she needs specific direction regarding the projects.

Ms. Alutto agreed.

Mayor Peterson stated his concern is that suggestions from Council members would be all over the board and a discussion would still be needed by the entire body.

Ms. Mumma stated that in order to have information ready for packets, they would need the information by noon on Tuesday, September 5.

Vice Mayor Amorose Groomes stated that Council should be able to have their comments to Mr. McDaniel no later than Friday, August 31.

Council committed to having their comments to Mr. McDaniel by the end of the day Friday, August 31.

The meeting was adjourned at 8:49 p.m.

Acting Clerk of Council