

February 18, 2019

Finance Committee Meeting



The seal of the City of Dublin, Ohio, is a circular emblem. It features a central illustration of a two-story wooden house with a gabled roof and a chimney, situated behind a stone wall. The text "CITY OF DUBLIN, OHIO" is inscribed around the perimeter of the seal. At the bottom, the motto "Where yesterday meets tomorrow" is written in a cursive font. The entire seal is set against a background of a green-tinted American flag.

2020 Schedule



2020 Capital Improvement Plan Timeline

Target Timeframe (2020) Capital Improvements Program	
<i>February 12</i>	<i>CIP kick-off memo distributed to City Staff</i>
<i>February 20</i>	<i>City Council goal setting session.</i>
<i>March 15</i>	<i>CIP project proposal forms to City Manager and Director of Finance.</i>
<i>April</i>	<i>City Manager and Director of Finance administrative review of all CIP requests with Department/Division Directors.</i>
May 18	City Administration's debt presentation and City Council work session for summarizing priorities for the 2021-2025 CIP.
June 22	Revenue Estimates for CIP presented by Director of Finance to City Council during City Council meeting.
August 3	City Council work session to review the proposed CIP (i.e. project discussion and gathering of City Council feedback).
August 10	First reading of Ordinance to adopt the 2021-2025 CIP.
August 24	Second reading of Ordinance to adopt the 2021-2025 CIP
By December 31	Adoption of Annual Operating Budget and related appropriations Ordinance by City Council.



2020 Operating Budget Timeline

Target Timeframe (2020) Operating Budget	
May	<i>Annual kick-off memo distributed to City Staff</i>
July	<i>Finance analysis and compilation of draft of Operating Budget</i>
August 17	City Manager's Operating Budget recommendations presented at Council Work Session
September 9	Administrative and Community Development Committee discussion of with City Department Directors
September 16	Finance and Public Services Committee discussion of with City Department Directors
October 5	Operating Budget Workshop #1
October 12	Operating Budget Workshop #2
October 26	First reading of Ordinance to adopt the 2021 Operating Budget.
November 9	Second reading of Ordinance to adopt the 2021 Operating Budget.
November 16	First reading of appropriation Ordinance for 2021.
December 7	Second reading of appropriation Ordinance for 2021.



2020 Finance Committee Timeline and Proposed Topics

Target Timeframe (2020) Finance Committee Meetings	
February 18	2020 Schedule 2019 Financial Recap Recreation Cost Recovery Policy Bond Rating Presentation Review General Fund Balance Policy (Advances)
April 20	Investment Policy Review and Performance Permissive Taxes
June 29	Debt Issuance/Callable Debt TIF Performance Reviews Bed Tax Grant Program
September 16	Budget Review – Finance, Taxation, Capital
November 30	Bed Tax Grant Awards



The background of the slide features the official seal of the City of Dublin, Ohio. The seal is circular and contains a depiction of a large, multi-story building with a flag on its roof, situated behind a stone wall. The words "CITY OF DUBLIN, OHIO" are inscribed around the perimeter of the seal. At the bottom of the seal, the motto "Where yesterday meets tomorrow" is written. The entire image is overlaid with a semi-transparent green filter.

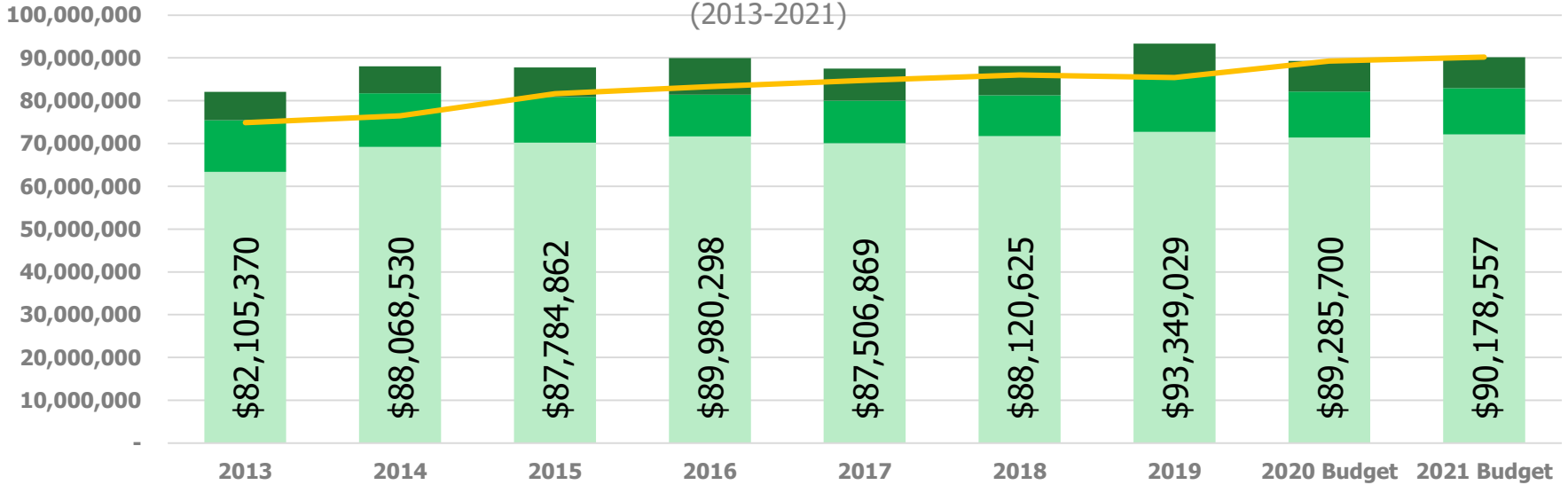
Review of 2019 Income Taxes, Financial Policy Compliance and Operating Budget



Municipal Income Tax

Historical and Budgeted Income Tax Collections

City of Dublin, Ohio
(2013-2021)



	2013	2014	2015	2016	2017	2018	2019	2020 Budget	2021 Budget
Individual Income Tax	\$ 6,664,825	\$ 6,303,759	\$ 6,893,604	\$ 8,574,473	\$ 7,489,039	\$ 6,831,320	\$ 7,591,834	\$ 7,142,856	\$ 7,214,285
Net Profits	\$ 12,081,242	\$ 12,559,722	\$ 10,708,688	\$ 9,729,302	\$ 9,940,249	\$ 9,556,140	\$ 13,034,872	\$ 10,714,284	\$ 10,821,427
Withholding	\$ 63,359,303	\$ 69,205,049	\$ 70,182,570	\$ 71,676,523	\$ 70,077,581	\$ 71,733,165	\$ 72,722,323	\$ 71,428,560	\$ 72,142,846
Total	\$ 82,105,370	\$ 88,068,530	\$ 87,784,862	\$ 89,980,298	\$ 87,506,869	\$ 88,120,625	\$ 93,349,029	\$ 89,285,700	\$ 90,178,557
	▲8.85%	▲7.26%	▼(0.32%)	▲2.50%	▼(2.75%)	▲0.70%	▲5.93%	▼(4.35%)	▲1.00%



2020 Operating Budget – General Fund Balance Policy

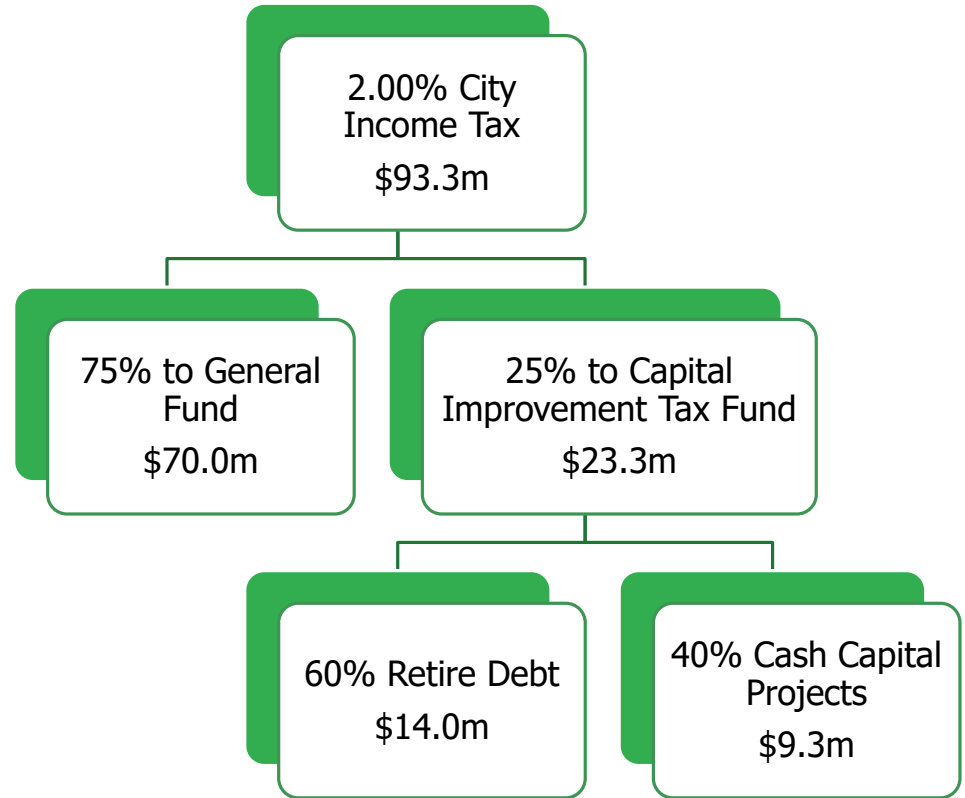
	Year-End Balance	Expenditures*	Percent
2012	\$52,039,415	\$56,242,629	92.5%
2013	\$56,038,803	\$56,454,574	99.3%
2014	\$61,017,044	\$56,542,533	107.9%
2015	\$59,556,334	\$60,861,299	97.9%
2016	\$55,182,925	\$66,277,334	85.5%
2017	\$60,125,537	\$69,831,134	86.1%
2018	\$57,212,737	\$76,806,088	74.4%
2019	\$49,645,656	\$69,059,379	71.1%
2019 (<i>Advance Repaid</i>)	\$65,145,655	\$69,059,379	94.3%
2020 Estimate	\$57,220,204	\$85,238,765	67.1%

*Excludes advances



City Policy

- The maximum amount of income tax supported debt to be issued is 10 percent less than the estimated maximum amount of debt that can be supported by the income tax revenue allocated for annual debt service obligations. This guideline provides an additional buffer in the event that income tax revenues fall short of projections or that an unexpected increase in interest rates occurs.
- Debt service funded through service payments are reviewed annually to ensure there is 110% coverage. Any shortage in TIF revenue is reserved from the income tax allocation.



Capital Improvement Plan – Debt Policy

2020-2024 Capital Improvements Program

(Updated to reflect Riverside Crossing Park funding increase in 2020 and equivalent reduction in 2021)

Income Tax Revenue Distribution / Debt Service

	2019	2020 est.	2021 est.	2022 est.	2023 est.	2024 est.
Income Tax Revenue Dedicated to Retire Debt	\$14,002,354	\$13,392,855	\$13,526,784	\$13,662,051	\$13,798,672	\$13,936,659
Existing Debt Service ¹	\$5,067,843	\$3,738,535	\$4,746,788	\$5,210,810	\$5,288,579	\$4,935,348
Remaining Debt Service Capacity	\$8,934,511	\$9,654,320	\$8,779,996	\$8,451,241	\$8,510,093	\$9,001,311
Projected New Debt ² (Par) ³	\$0	\$20,000,000	\$4,400,000	\$0	\$0	\$0
Projected Annual Debt Service on New Debt ²	\$0	\$1,600,000*	\$1,952,000*	\$1,952,000*	\$1,952,000*	\$1,952,000*
Remaining Debt Service Capacity (After New Debt)	\$8,934,511	\$8,054,320	\$6,827,996	\$6,499,241	\$6,558,093	\$7,049,311
Projected New Debt (Par)(Sewer Funded)	\$0	\$6,000,000	\$0	\$1,500,000	\$0	\$1,500,000

¹ Existing debt service retired with Income Tax revenue

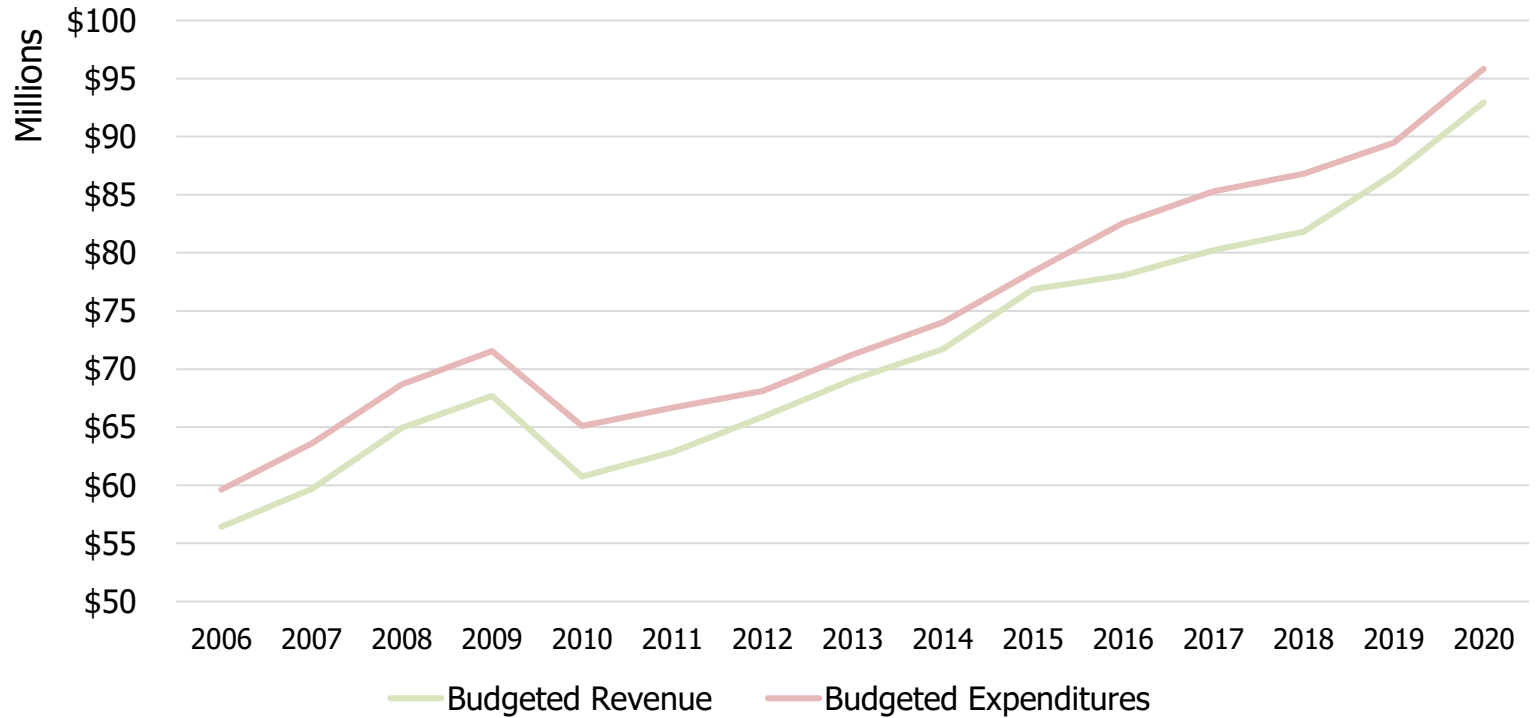
² 2019-2023 and 2020-2024 CIP budgeted new debt issuances totaling \$24.4 million: \$10.9 million in 2019, \$6.0 million in 2020 and \$7.5 million in 2021. Additional engineering of Riverside Crossing Park indicated savings related to construction costs if \$3.1 million from 2021 was moved to 2019. Council approved this action in December 2019.

³ Projected debt service retired with Income Tax revenue.

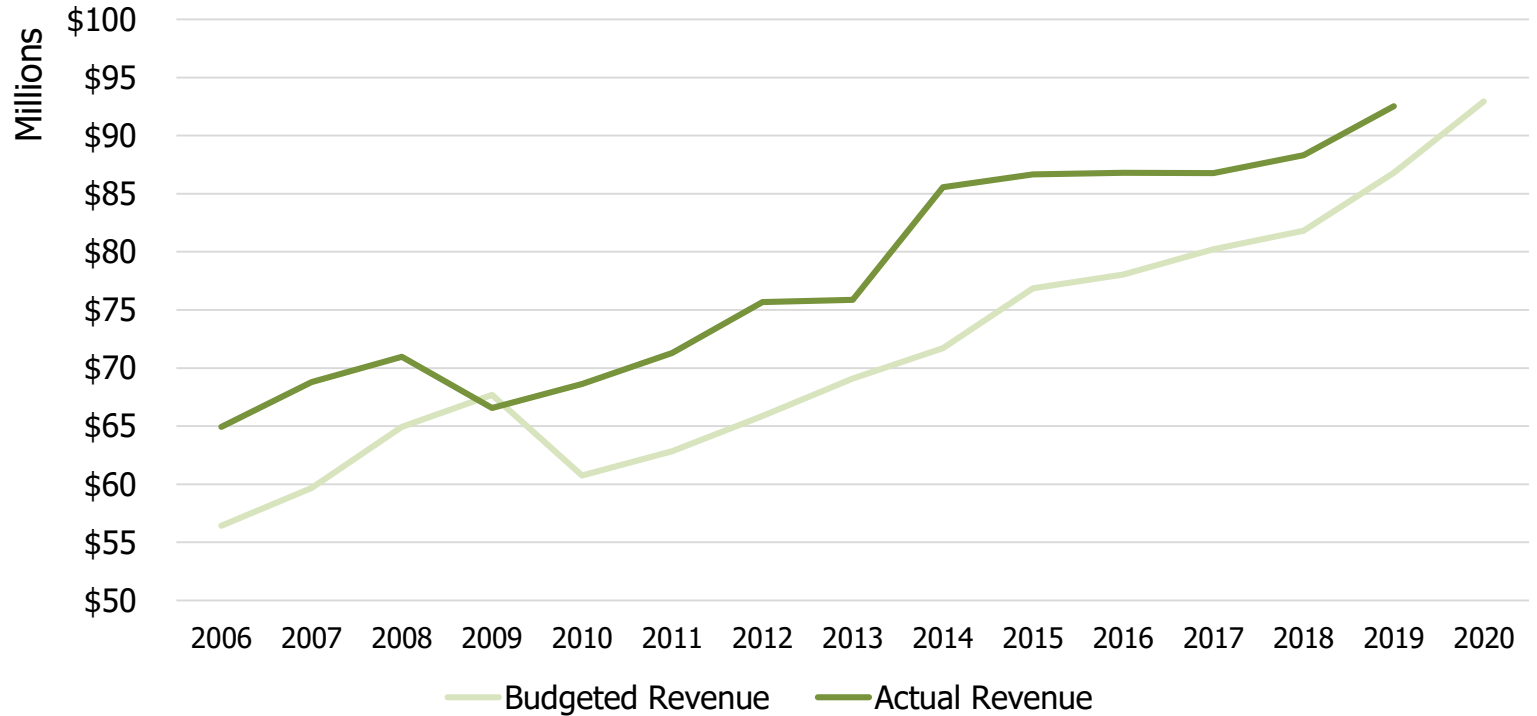
*Assumes 20-year issuance at 5.00%



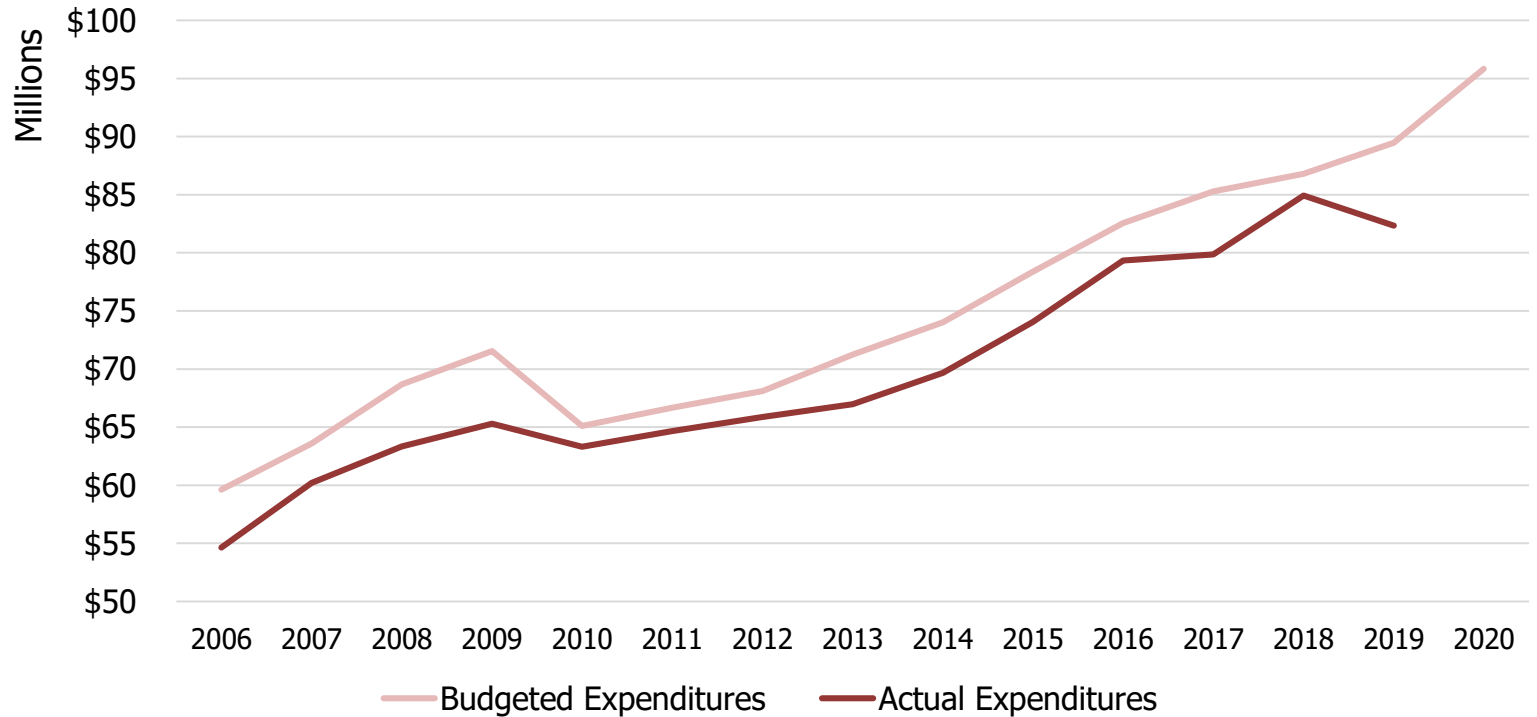
Total Operating Revenues and Expenditures



Total Operating Revenues



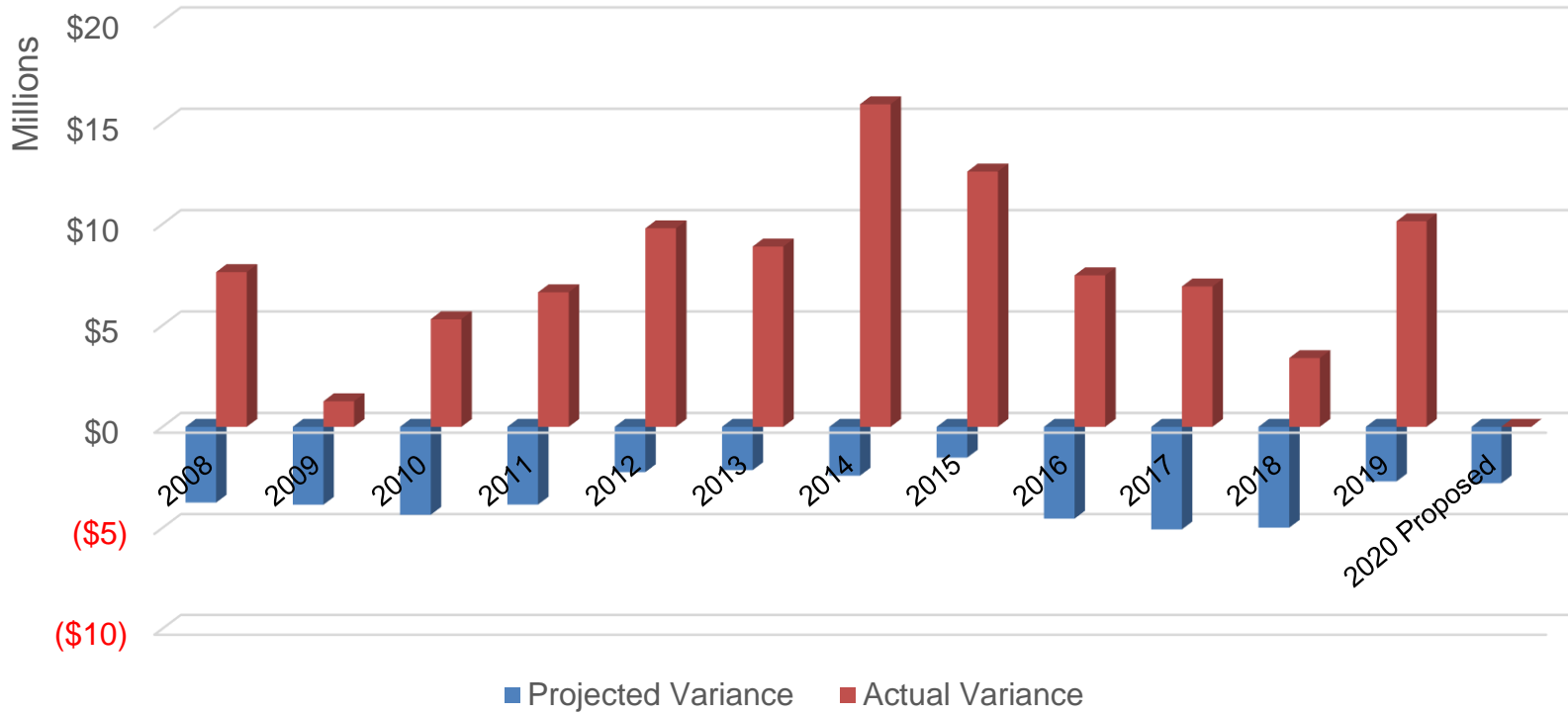
Total Operating Expenditures



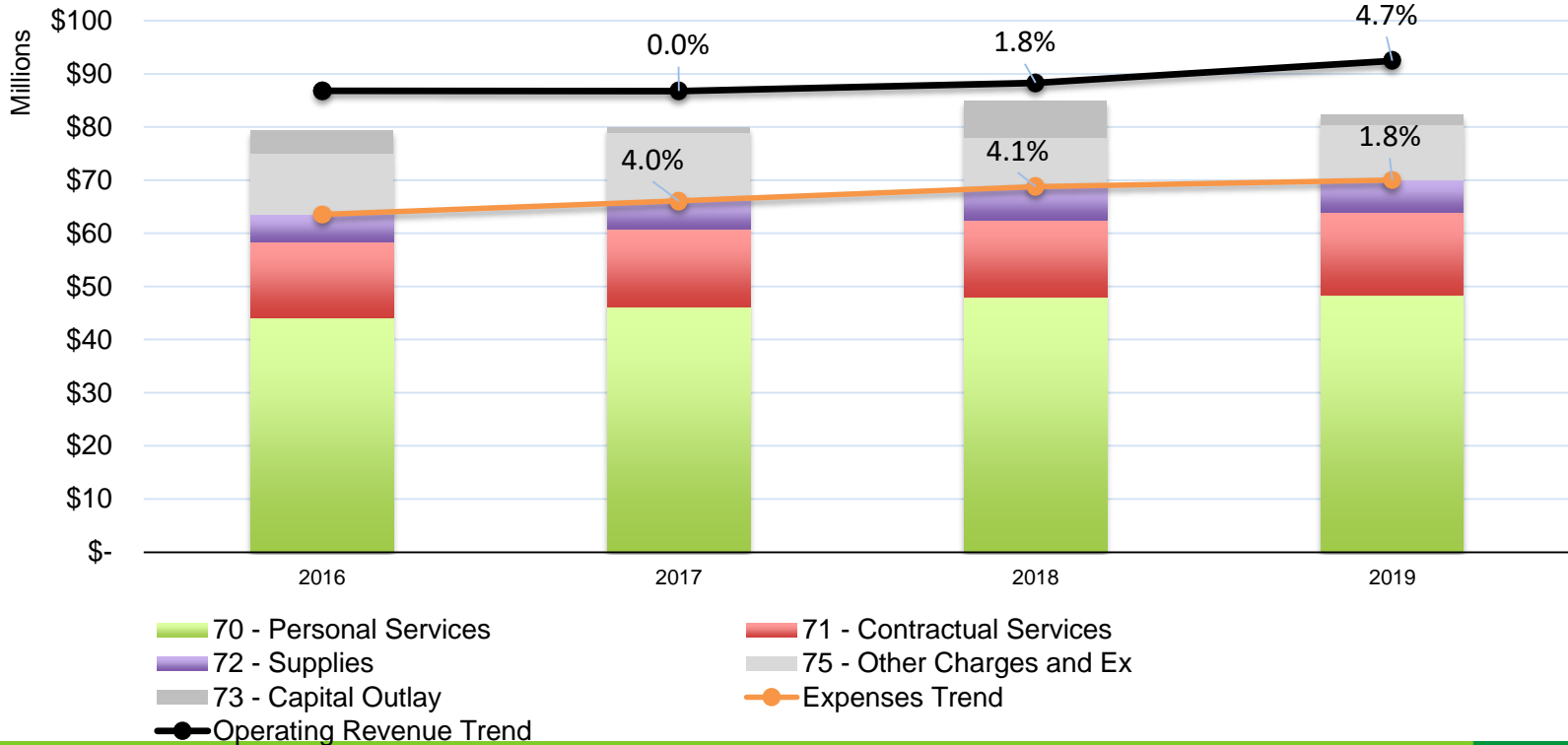
Total Operating Revenues and Expenditures



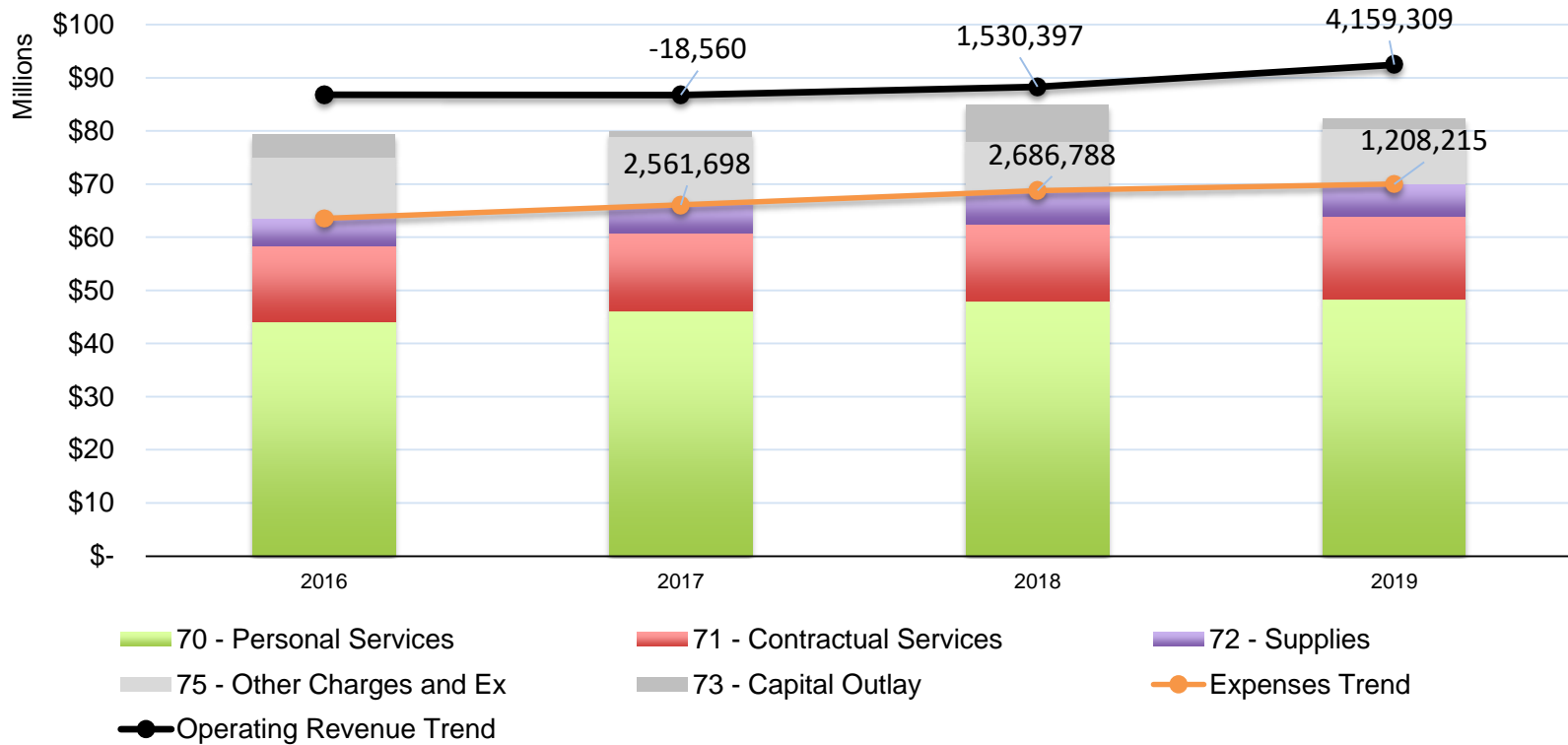
Projected vs. Actual Variance – Operating Revenues & Expenditures



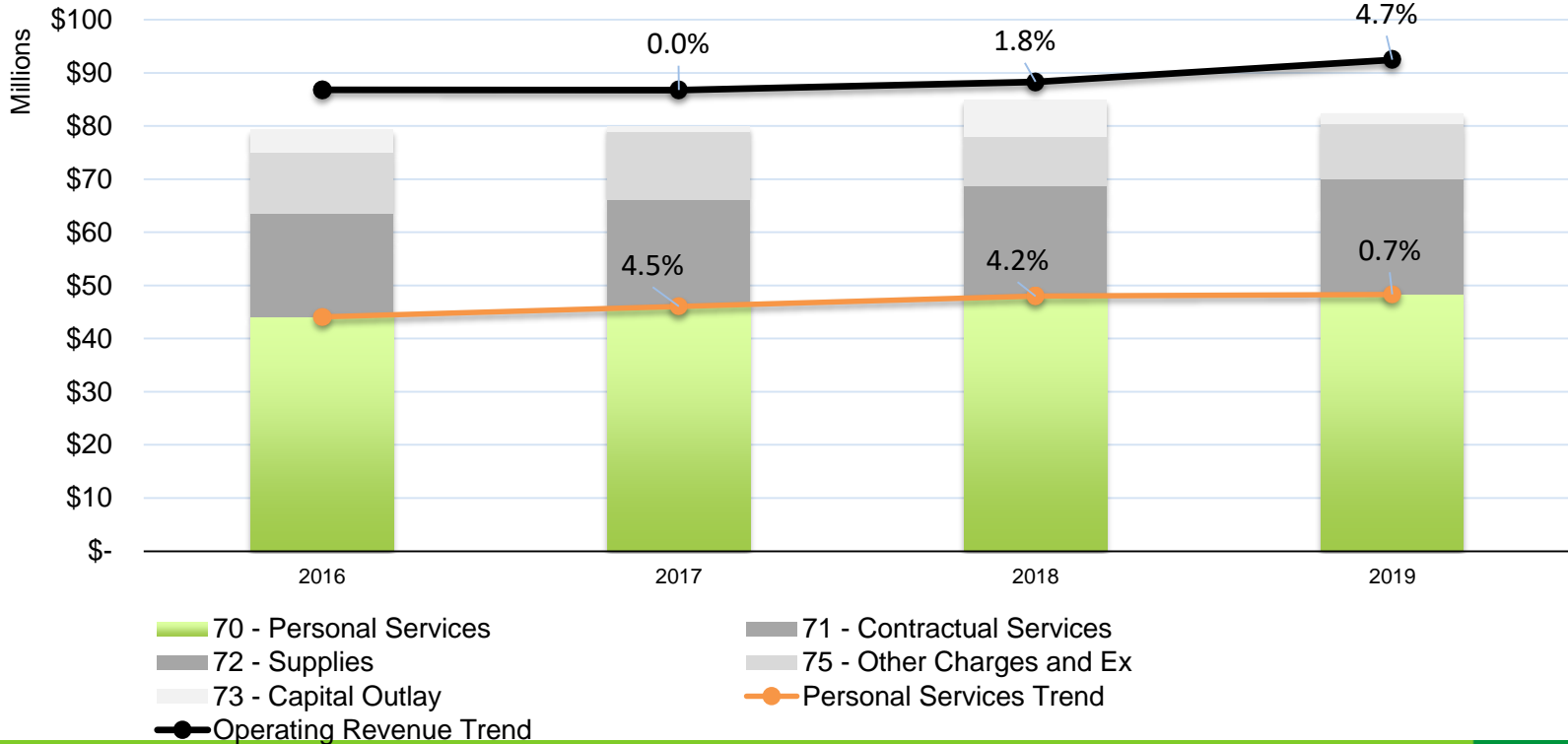
Actual Operating Revenue and Operating Expenditures by Category



Actual Operating Revenue and Operating Expenditures by Category



Actual Operating Revenue and Operating Expenditures by Category



The background of the slide features a large, circular seal of the City of Dublin, Ohio. The seal is rendered in a dark green color against a lighter green background. The outer ring of the seal contains the text "CITY OF DUBLIN, OHIO" in a serif font. Inside the ring, there is a central illustration of a two-story wooden building with a gabled roof and a chimney, set behind a stone wall. Below the illustration, the motto "Where yesterday meets tomorrow" is written in a cursive script. The seal is partially overlaid by the text of the title and the American flag on the left side.

Recreation Cost Recovery Policy and Transfer for Capital Projects



Ord 65-18

SCHEDULE OF FEES AND SERVICE CHARGES

Recreation Services Division



Recreation Program Cost Recovery Policy

In general, the recreation program will attempt to recover, on an aggregate basis, 50% of direct costs and building maintenance costs plus an assigned percentage of costs associated with certain recreation program capital improvement projects, while recognizing that some programs may be somewhat less than that for certain reasons and some more than that. This to be based on the nature of the program. This will ensure that individual fees are reviewed annually, and any set unusually high/low are flagged.



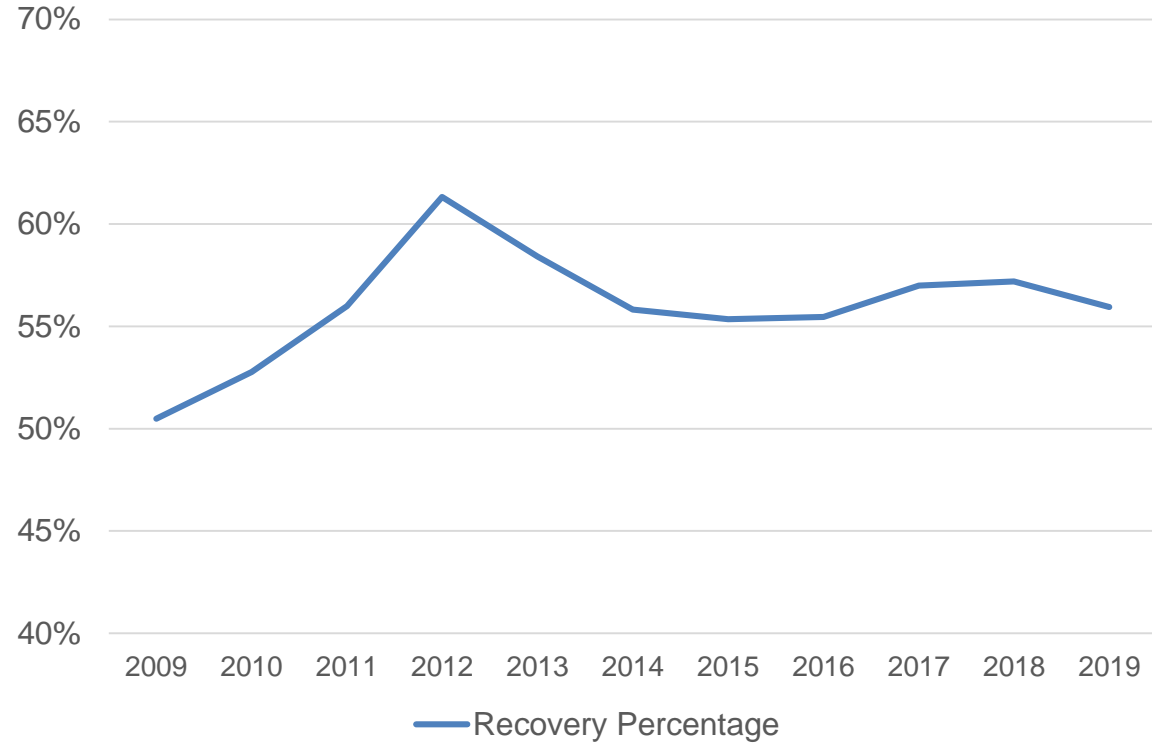
Previous Recreation Fee Policy Changes

In general, the recreation program will attempt to recover, on an aggregate basis, 50% **of direct costs and building maintenance costs (2010)** plus an assigned percentage of costs associated with certain recreation program capital improvement projects (2018), while recognizing that some programs may be somewhat less than that for certain reasons and some more than that. This to be based on the nature of the program. This will ensure that individual fees are reviewed annually, and any set unusually high/low are flagged.

Cost	Direct Costs to Rec. Program		Building Maintenance		Capital Improvements	
	User Fees	General Fund	User Fees	General Fund	User Fees	Other revenue sources dedicated to Capital Improvements
Before 2010	>50%	<50%	0%	100%	0%	100%
2010- Present	>50%	<50%	>50%	<50%	0%	100%
2019 -	>50%	<50%	>50%	<50%	As assigned	<100%



Recreation Program Revenues versus Expenditures

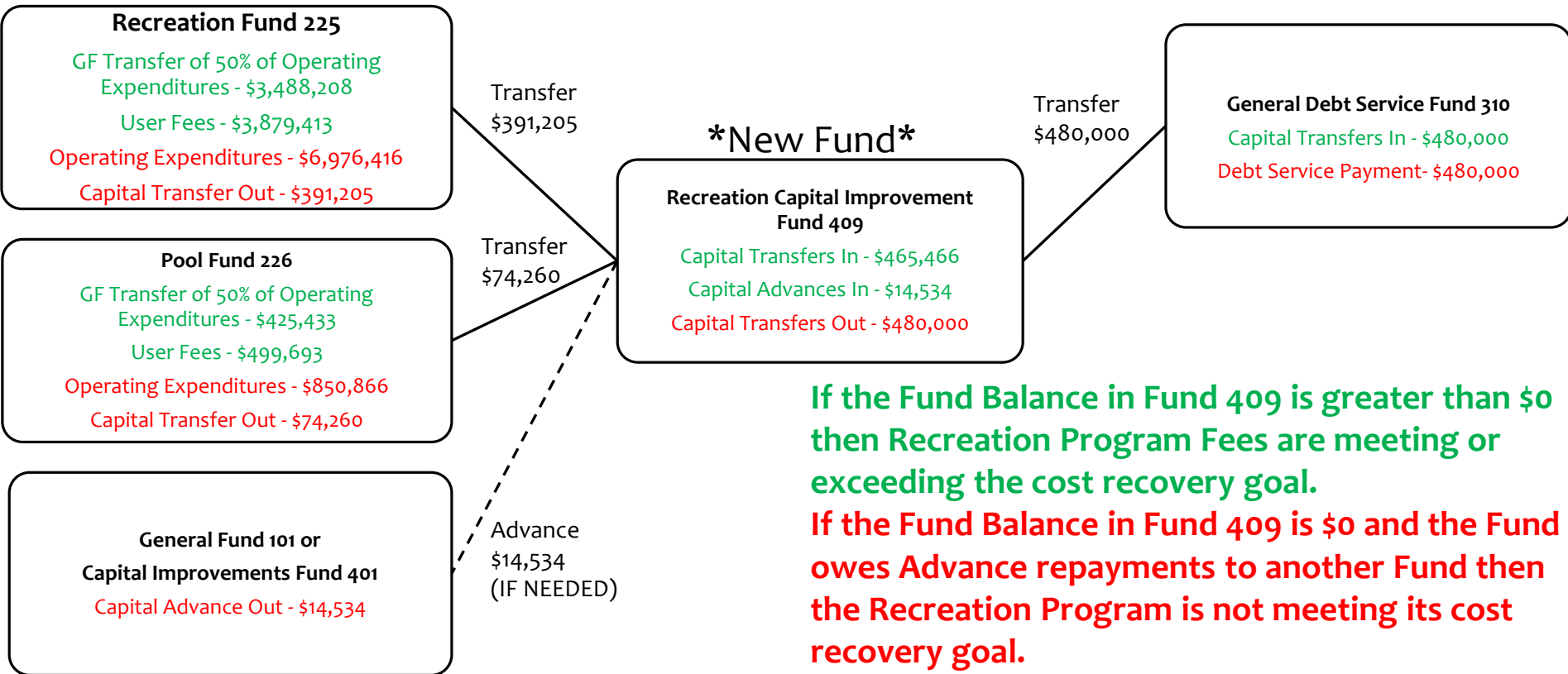


2019 Revenue and Expenditures

Revenue	\$4,379,107
Expenditures	\$7,827,282
50% Recovery Amount	\$3,913,640
Recreation Transfer	\$465,466
Recreation Fund 225	\$391,205
Pool Fund 226	\$74,260



Recreation Capital Cost Recovery Program Administration



If the Fund Balance in Fund 409 is greater than \$0 then Recreation Program Fees are meeting or exceeding the cost recovery goal.

If the Fund Balance in Fund 409 is \$0 and the Fund owes Advance repayments to another Fund then the Recreation Program is not meeting its cost recovery goal.



Implementation of Recreation Cost Recovery Program

Action Items for Council

- Create new fund – Recreation Capital Improvements Fund 409 (RCI)
 - Ordinance of Council approval likely in second quarter
- Appropriate transfer from RCI Fund 409 to General Debt Service Fund 310
 - Will be included in second quarter supplemental
- If necessary, appropriate advance from General Fund to RCI Fund.
 - Will be included in second quarter supplemental, if needed
- Transfers from Recreation and Pool Fund as well as the payment of debt service from General Debt Service Fund were approved in 2020 Operating Budget using placeholder values.
- Review Schedule of Fees and Costs related to Recreation Program
 - Will be included in comprehensive cost study analysis to be completed in fourth quarter



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Ratings Presentation to Moody's, Fitch and S&P



Financial Strength and Stability – AAA Rating

MOODY'S

FitchRatings

S&P Global
Ratings



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General Fund Balance Policy Discussion of Advances



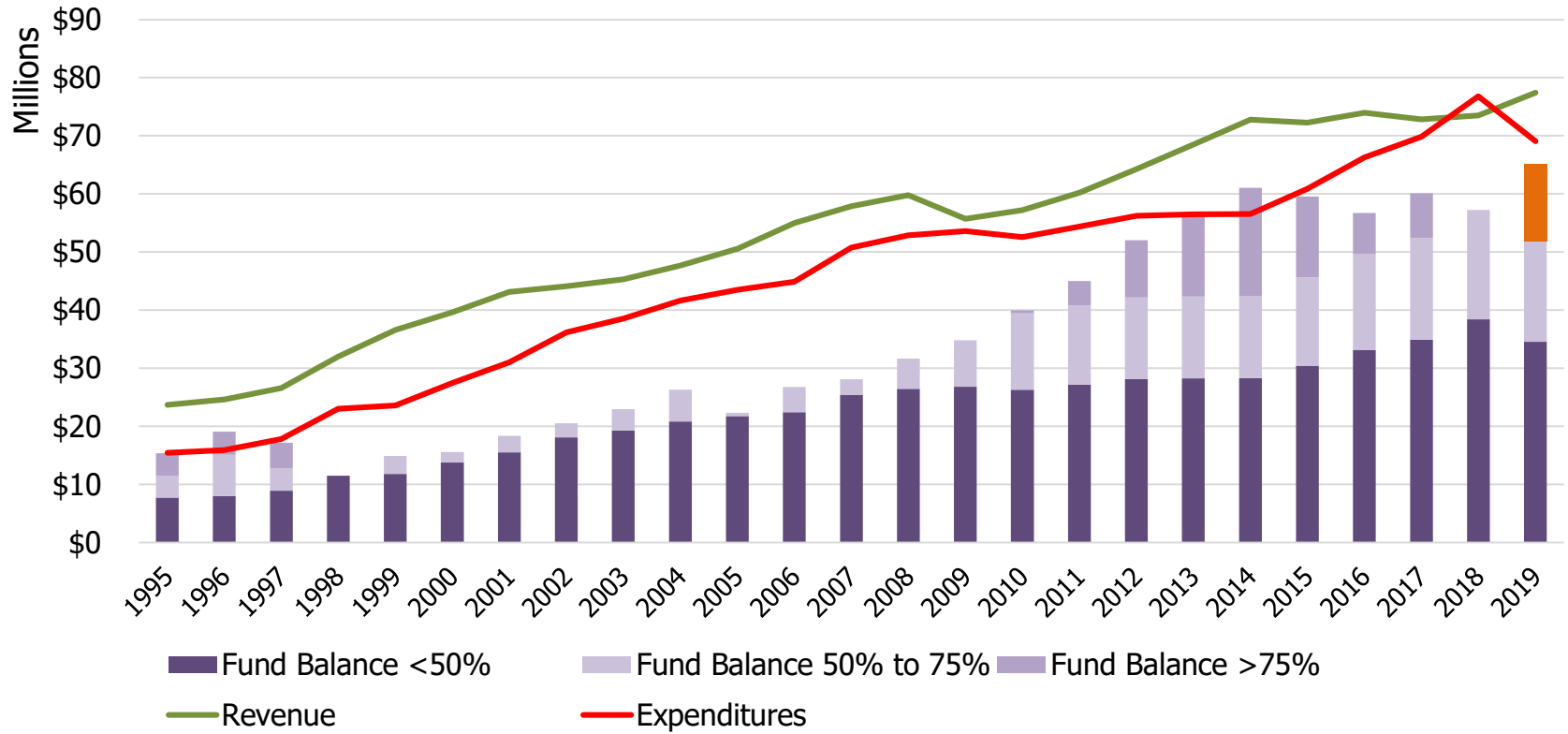
General Fund Balance Policy

Policy Highlights

- Adopted in 2016 to codify current longstanding practices; reaffirmed in 2019
- Requires the balance of the General Fund to be greater than 50% of expenditures
 - Allows the Fund Balance to go below 50% when advancing funds to be reimbursed with bond proceeds
 - Timeline for repayment of advances is not specified
 - Generally, Federal Law requires repayment in less than 18 months
- Requires the Finance Director to transfer (pending Council approval) 25% of the fund balance above 75% of the Fund's expenditures to the Capital Fund
 - Occurred in 2017 and 2018. Potential to occur in 2020.
- Does not allow the usage of the General Fund Balance for Operating Expenditures under most circumstances (exception for program ending/winding down)
 - If General Fund Expenditures exceed General Fund Revenues it cannot be for current operating expenses, it must be for a capital project (
 - Occurred in 2018



General Fund Balance, Revenues, and Expenditures*



*An advance is not an expenditure. An advance does reduce the fund balance.



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Additional Questions/Discussion





City of Dublin

OHIO, USA