



Office of the City Manager
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Memo

To: Members of Dublin City Council
From: Dana L. McDaniel, City Manager
Date: September 8, 2020
Initiated By: Matthew L. Stiffler, Director of Finance
Melody Kennedy, Budget Manager
Re: Ordinance No. 23-20 – Amending the Annual Appropriations for Fiscal Year
Ending December 31, 2020

Background

Ordinance 23-20 amends the annual appropriations for the fiscal year ending December 31, 2020 in the General Fund and in various other funds to provide sufficient funding in certain budget accounts for the third quarter of 2020. Descriptions of the appropriations contained within each section of the Ordinance are as follows:

Section 1 requests funding authorization in the General Fund in the amount of \$1,175,000 for the following purposes:

Reforestation

Additional funding in the amount of \$52,275 is requested in the reforestation account. Currently, the reforestation account has an unencumbered balance of \$675,000. These funds are generated from payments in lieu of tree replacement, and are used to plant trees on City-owned property. Of this total request, \$32,275 is being requested for use in the Riviera Development. Due to the builder's lack of compliance in tree survival, and planting some remaining trees that are required, City staff directed M/I Homes to provide \$32,275 in tree fees to offset the cost of mitigating their remaining deficiencies. Trees will be planted on public property in Riviera to satisfy the loss of existing trees that did not survive the building process, or those that did not meet code. The remaining \$20,000 will go towards planting trees to satisfy screening needs on public property at the Golf Club of Dublin.

Health Services

Additional funding in the amount of \$15,000 is requested for the 2020 contract with the Franklin County Board of Health (BOH). The BOH provides for public health services and plumbing inspections, and serves as the public health agency for the City. Resolution 04-20 approved by City Council in January contracted health services at a rate of \$8.87 per capital based on MORPC's estimated population for Dublin of approximately 50,000. The increase in costs as compared to the 2019 per capital rate and the increase in approximate population growth resulted in an increase in costs of 6.2%. This exceeded the estimated increase of 3.1% budgeted in the 2020 Operating Budget.

Transfers

Additional transfers from the General Fund to the Recreation Services and Municipal Pool Fund will be necessary in the total amount of \$1,100,000. As City Council is aware, these funds are subsidized annually by the General Fund, but also are funded through Recreation based user fees.

Due to impacts of COVID19, as of August 16, 2020, the estimated receipts are trending downward approximately 70% in the Recreation Services Fund, and approximately 80% in the Pool Fund. Additional information regarding the need for these transfers is found below in Sections 3 and 4 of this memo.

Initiating Department: Department of Human Resources, the Department of Parks & Recreation, and the Department of Finance (Section 1)

Section 2 requests the **un-appropriation** of General Fund transfers in the amount of \$4,500,250. This transfer was planned for the Shier Rings Road Realignment – Eiterman Road to Avery Road (University Blvd. Phase 2) Project. This project is currently planned to bid in late December 2020 with a bid opening in late January 2021. The construction start specified in the EDA is February 2021. Construction funds are reflected in 2021 Capital Improvements Program and will be included in the 2021 appropriations.

Initiating Department: Department of Public Works, and the Department of Finance (Section 2)

Sections 3, 4 and 5 requests funding changes due to the financial impacts of the COVID19 pandemic.

The impact of COVID19 has resulted in a reduction in revenues associated with charges for services, hotel motel tax and the cancellation of the 2020 Dublin Irish Festival. These reductions have resulted in revenue estimates for several funds that are now lower than the amounts used in establishing the budget and certified in the Certificate of Estimated Resources on file with Franklin County. Additionally, as a result of the reductions in estimated revenues, some funds will now have more expenditures appropriated than resources available.

The Ohio Revised Code directs that if it is determined that the revenue to be collected by the City will be less than the amount included in its amended certificate and that the amount of the deficiency will reduce the available resources below the level of current appropriations, the Director of Finance shall obtain an amended certificate reflecting the deficiency. Ohio Revised Code also requires that appropriations do not exceed estimated resources in the amended certificate. In order to comply with these requirements, the budgeted revenue to the Recreation Fund (Fund 225), the Pool Fund (Fund 226) and the Hotel Motel Tax Fund (Fund 232) need to be reduced to more accurately reflect expected revenue and the appropriations reduced accordingly.

Therefore, the following actions with regard to these funds need to occur:

Recreation Fund (225):

- Request an additional \$1.0 million transfer from the General Fund (see section 1 above);
- Reduce appropriations (**un-appropriate**) about \$1.6 million from the Revised Budget.

Pool Fund (226):

- Request an additional \$100,000 transfer from the General Fund (see section 1 above);
- Reduce appropriations (**un-appropriate**) about \$160,000 from the Revised Budget.

Hotel Motel Fund (232):

- Reduce appropriations (**un-appropriate**) about \$2,500,000 from the Revised Budget.

Note: The Certificate of Estimated Resources will be amended with Franklin County following Council's action. Council does not have to take any action regarding the amendment of this certificate.

The proposed budget reductions still allow for the sufficient budgets to fulfill normal operations for the remainder of the year. The Revised Budget for Recreation Fund will be approximately \$8.1 million (2019 actual spending was \$7.1 million). The Pool Fund's Revised Budget will be approximately \$650,000 (YTD spending is about \$300,000). The Revised Budget for the Hotel Motel Tax Fund will be about \$3.2 million (YTD spending is \$1.5 million). None of the budgets in these Funds associated with full-time staffing were impacted by these reductions.

Initiating Department: Department of Parks & Recreation, and the Department of Finance (Sections 3, 4, and 5)

Section 6 requests funding appropriations in the new COVID19 Relief Fund in the total amount of \$3,000,000.

The State of Ohio received \$1.2 billion in CARES Act funding to be distributed to local governments with a population of less than 500,000. The first distribution of \$350 million was approved in Amended House Bill 481 and utilized a County's undivided local government fund formula for distribution. The City of Dublin received approximately \$380,000 in this first round of funding. An additional distribution of \$175 million was approved by the Controlling Board utilizing the same funding formula. The City expects to receive an additional \$190,000 in this second round. If the remaining \$675 million is distributed similarly, the City would expect to receive an additional \$800,000. However, if future distributions are distributed on a per capita basis, the City would expect to receive additional \$1.8 million. Finally, if a local government is unable to spend all of its CARES Act money, the funding is re-distributed among local governments who have exhausted their previous distributions. It is unknown what these redistributed future amounts will be. Because of the deadlines imposed by HB 481, the City must fully appropriate any money it may receive so it is immediately available to encumber in order to avoid remittance back to the State. Based on the calculations above, allowing for rounding and some redistributed funding, the City is appropriating \$3.0 million in this account. Should the amount received be less than this amount, the appropriation will be reduced in the Q4 supplemental and the certificate of resources appropriately amended.

This funding will be used to cover costs attributed to the COVID19 pandemic and permitted under the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, and City Resolution No. 42-20. The Department of Finance is monitoring the COVID Relief Fund and working with City Departments to properly track expenditures.

Initiating Department: Department of Finance (Section 6)

Section 7 requests appropriation funding from the Capital Improvements Tax Fund in the total amount of \$1,915,000, and **un-appropriation** of \$14,650,000.

\$65,000 is requested for culvert maintenance projects that were carried-over from 2019 Capital Improvement Program funding. These projects include keeping the culverts free of debris and addressing any erosion at the headwalls. General maintenance of the culverts is important to maintain storm water flow. In 2019 the Department of Engineering requested quotes from 5

contractors to remove the existing 3-sided box culvert on Old Wilcox Road and replace it with a 4-sided box culvert. Two quotes were received that were both considerably over the budgeted amount of \$60,000. Therefore, the project did not move forward at that time, and the scope of work was reevaluated. The project scope has since been revised to remove a portion of the top of the existing culvert and insert a 60" pipe, fill all voids with controlled density fill, and place asphalt for a wearing surface. With the new plans, we again requested quotes and received 3 from Elite Excavating, Danbert, and Double Z. Elite Excavating was the low bidder at \$61,000. The contractor has a window from October 1, 2020 to November 15, 2020 to complete the work.

\$350,000 is requested for funding appropriation per the Dublin Chamber of Commerce Lease Agreement (Ordinance No. 34-19). As part of the lease renewal, the City agreed to share the cost of certain facility renovations with the Chamber that are critical to their mission. Renovations include improvements to meeting spaces/business meeting gathering space, community meeting rooms and kitchen, public restrooms, building entrance and interior hallway enhancements, and downtown gateway pavilion space (outdoor patio with café seating, WiFi, charging stations, new building signage, and landscaping area).

\$1,000,000 is requested in funding appropriation for the South High Street Streetscape Improvements Project. This project provides for streetscape improvements along a portion of South High Street from Bridge Street to John Wright Lane pursuant to severe tree trimming completed by American Electric Power due to wire interference. The project includes a treescape plan, installation of limestone walls, and additional landscape amenities. The project will be completed in phases, with the first phase proposed this year per reviewed during the February 10, 2020 City Council Meeting. Subsequent phases are proposed in year 2023 of the Capital Improvements Program, with remaining tree installation beyond the five-year program period as funding is available.

In the 2020-2024 CIP, \$500,000 was appropriated for the land acquisition from the Capital Improvements Fund. This appropriation was programmed as a transfer to the General Fund from the Capital Improvements Fund. Because of the restrictions regarding the distribution of income tax revenue between the General Fund and the Capital Improvements Fund, it is advisable from a policy compliance standpoint to appropriate this money directly from the Capital Improvements Fund for this purpose. As the City has identified a potential property for acquisition utilizing these funds, this change is being made at this time to allow for these funds to be available for that purpose. Consequently, the \$500,000 transfer is being **un-appropriated** from the transfer account, and **re-appropriated** to a capital improvements line item account for direct disbursement from the Fund causing no net change in Fund 401.

The ordinance also requests the **un-appropriation** of funding in the total amount of \$14,150,000 in the Capital Improvements Tax Fund due to moving the construction of these projects from 2020 to 2021 as reflected in the proposed 2021-2025 Capital Improvements Program (CIP).

Shier Rings Road Realignment – Eiterman Road to Avery Road (University Blvd, Phase 2) – This project is currently planned to bid in late December 2020 with a bid opening in late January 2021. The construction start specified in the EDA is February 2021. Construction funds are reflected in 2021. (See Section 2 for un-appropriation of the accompanying General Fund transfer for this project).

Avery and Shier-Rings Road Intersection Improvement - This project is currently planned to bid in late December 2020 with a bid opening in late January 2021. The construction start specified in the EDA is February 2021. So the construction funds are reflected in 2021.

Initiating Department: Department of Public Works, Department of Parks and Recreation, and the Department of Finance (Section 7)

Section 8 requests the **un-appropriation** of \$800,000 funding in Fund 409, the Recreation Capital Improvements Fund. The source of revenue for this Fund was to be a transfer into the Fund from the accumulation of user fees above the 50% cost recovery model used for recreation services and programs. The fiscal impact of COVID19 on the recreation program and services receipts has prompted the need to reduce both the resources and appropriations budgeted for this Fund. Finance staff will continue to monitor the Recreation Cost Recovery Policy and will make debt service payments through transfers from the Recreation Fund and Pool Fund as required under this policy until cost recovery returns to pre-COVID19 levels.

Initiating Department: Department of Finance (Section 8)

Sections 9 and 10 requests appropriations for the US33/SR161/Post Road Interchange Project – Design Upgrade Phase 2.

\$950,000 is necessary from the Perimeter Center TIF Fund for land acquisition costs associated with the interchange project. Most of the permanent right-of-way parcels have been acquired for the project with the exception of one parcel along Liggett Road, and approximately 7 temporary construction easements to be obtained.

\$450,000 is additional funding is needed from the Perimeter West TIF Fund for design upgrades to the project (\$850,000 is currently budgeted towards the design). Burgess & Niple (B&N) has been contracted to update the current plan (2009 Stage 3) to meet applicable current standards and to reflect changed site conditions (the bulk of the previous project development process was performed from September 2005 through March 2009). Phase 2 scope of services includes a final traffic analysis, environmental and other permits/analysis, survey and utility location/coordination, right-of-way update, roadway design criteria, drainage and erosion control, traffic control/ramp metering, maintenance of traffic plan, lighting, utility (water) work and utility conduit bank plans, landscape plans, structures design, and project management.

Section 11 requests the **un-appropriation** of funds in the West Innovation Fund in the amount of \$2,860,000. This funding was budgeted for the Eiterman Road Relocation Project, which has been deferred for 2020. Per the proposed 2021-2025 Capital Improvements Program, the project has been moved forward to reflect design in 2021 and construction in 2022. This project is dependent on further development of the Ohio University Campus.

Initiating Department: Department of Public Works (Sections 9, 10 and 11)

Section 12 requests additional funding appropriation in the Sanitary Sewer Fund.

\$65,000 is required for the Wedgewood Hills Sanitary Sewer Agreement. This agreement encompasses sanitary sewer service to Wedgewood Hills, Campden Lakes, and Wedgewood Glen, and the City is invoiced on a quarterly basis by Delaware County per this agreement. In 2019, the

invoices were based on an average of 6.5 million gallons, but have increased in 2020 to around 8 million gallons on average. Although Delaware County approved a small sewer rate increase (\$.0055 to \$.0060 per gallon), the Department of Finance requested an evaluation of the flow data from Delaware County in an attempt to determine the cause of the increased sewer bills. The following explanation was provided by Delaware County:

"We have actually been experiencing the same trend at our treatment facilities which we have attributed to a combination of rainfall as well as the March/April lockdown. We compared flow meter data, and the Dublin meter data is trending the same as our Olentangy Environmental Control Center (OECC) flow meter data for the last several months. This would confirm that it is likely not a meter error, but higher flows that were actually observed. You can also see in looking at the data that the meters are trending back down in June, which leads us to believe the lockdown had a significant impact on metered flow for the last quarter."

Also requested in the Sanitary Sewer Fund is appropriation in the amount of \$140,000 for sanitary sewer extensions to Areas 1B and 1C (Trails End Drive and Glen Cree Place). Recently, this project was lifted in priority to the top of the existing sewer extension priority list as a result of potential risk to three household sewer treatment systems (HSTS's) along the east side of Glen Cree Place stemming from work related to Bethel-Sawmill Transmission Line Rebuild Project by American Electric Power (AEP), the design of the sanitary sewer extension for Areas 1B (Trails End Drive area) and 1C (Glen Cree Place area) has been initiated. The three systems are composed of evapotranspiration mounds located within the AEP transmission line easement. AEP is requiring the existing trees on the mounds to be removed (they are now too tall and too close to the electric transmission lines) and replaced which could result in damage to the operation and function of the evapotranspiration systems, causing the immediate need for action for the health, safety and welfare of the impacted residents.

Initiating Department: Department of Public Works, and the Department of Finance (Section 12)

Recommendation

Staff recommends City Council approval of Ordinance 23-20, amending the Annual Appropriations for the Fiscal Year Ending December 31, 2020, at the second reading and public hearing of the Ordinance on September 28, 2020.

City of Dublin, Ohio

Exhibit A

Ord. Section	Fund	Fund Description	Beginning Cash Balance as of 1/1/2020	Supplemental Appropriations Request (Q3)	(1)	(1)	(2)	(3)	
					Budgeted Appropriations	Encumbrances as of 1/1/2020	Budgeted Revenues	Changes/ Reduction of Budgeted Revenues	Ending Cash Balance After Supplemental Appropriations at 12/31/2020
1 and 2	101	General Fund	\$49,645,656	(\$3,332,975)	\$86,673,765	\$3,961,918	\$92,813,313	(\$500,000)	\$55,156,261
3	225	Recreation Services Fund	\$2,329,504	(\$1,600,000)	\$9,319,455	\$416,656	\$7,900,400	(\$1,725,000)	\$368,792
4	226	Pool Fund	\$144,778	(\$160,000)	\$755,605	\$58,465	\$813,000	(\$225,000)	\$78,708
5	232	Hotel/Motel Tax Fund	\$4,061,632	(\$2,500,000)	\$5,615,150	\$61,347	\$4,774,500	(\$3,774,500)	\$1,885,135
6	265	COVID19 Relief Fund	\$0	\$3,000,000	\$0	\$0	\$0	\$3,000,000	\$0
7	401	Capital Improvements Tax Fund	\$31,046,547	(\$12,735,000)	\$55,699,135	\$12,798,649	\$38,647,112	(\$4,500,000)	\$9,430,876
8	409	Recreation Capital Improvements Fund	\$0	(\$800,000)	\$800,000	\$0	\$800,000	(\$800,000)	\$0
9	425	Perimeter Center TIF Fund	\$4,825,877	\$950,000	\$306,200	\$7,331	\$505,000	\$0	\$4,067,346
10	431	Perimeter West TIF Fund	\$992,411	\$450,000	\$1,875,970	\$5,049	\$1,400,000	\$0	\$61,392
11	459	West Innovation	\$1,710,196	(\$2,860,000)	\$2,863,500	\$0	\$1,250,000	(\$770,000)	\$2,186,696
12	620	Sewer Fund	\$6,007,579	\$205,000	\$3,452,415	\$928,200	\$3,201,000	\$0	\$4,622,964
				<i>Total Supplemental Appropriations Requested Q3</i>	<u>(\$19,382,975)</u>				

NOTES:

- (1) - Assumes all budgeted appropriations/encumbrances for 2020 are expended.
- (2) - Assumes revision in budgeted revenues due to COVID19 financial impacts.
- (3) - Estimates ending cash balance without further adjustments in expenditures or revenues for 2020.

RECORD OF ORDINANCES

Ordinance No. 23-20

Passed _____, _____

AN ORDINANCE AMENDING THE ANNUAL APPROPRIATIONS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2020

WHEREAS, the Ohio Revised Code requires, when necessary, amendments to the annual appropriations ordinance be made in order that appropriations are not over expended; and

WHEREAS, it is necessary to amend the annual appropriations ordinance to provide funding in certain budget accounts; and

WHEREAS, at the beginning of each year, it is necessary to appropriate unencumbered balances in various funds to authorize those funds for debt payments, project-related expenditures and other miscellaneous expenses; and

WHEREAS, if any funding is appropriated herein to provide for transfers or advances for debt service, the debt transfer is also authorized as a part of this ordinance.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Dublin, State of Ohio, _____ of the elected members concurring, that:

Section 1. There shall be appropriated from the unappropriated balance in the General Fund the amount of \$1,167,275.

10140430-722001	Reforestation	\$ 52,275
10160290-714002	Health Services	15,000
10196290-741225	Transfers – Recreation	1,000,000
10196290-741226	Transfers – Pool	100,000

Section 2. There shall be **un-appropriated** from the appropriated balance in the General Fund the following transfer amount originally budgeted for the Shier Rings Road Realignment – Eiterman Road to Avery Road (University Phase 2) Project (ET517):

10196290-741401	Transfers – Capital Improvements	\$ 4,500,250
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Section 3. There shall be **un-appropriated** from the appropriated balance in Recreation Fund 225 the total amount of \$1,600,000.

There be un-appropriated from the Recreation Fund:

<u>Recreation Services</u>		
22540440	Personal Services	250,000
	Other Expenses	<u>344,000</u>
<u>DCRC – Operations</u>		
22540441	Personal Services	16,500
	Other Expenses	<u>197,500</u>
<u>Events Administration</u>		
22540450	Other Expenses	<u>12,000</u>
<u>Public Works - Recreation</u>		
22580350	Capital Outlay	<u>80,000</u>
<u>Finance</u>		
22596290	Transfers	<u>700,000</u>
		1,600,000

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Section 4. There shall be **un-appropriated** from the appropriated balance in Fund 226 - Pool in the total amount of \$160,000.

There be un-appropriated from the Pool Fund:

		<u>Recreation Services Pool</u>		
22640440	Personal Services	30,000		
	Other Expenses	20,000		
22680440	Capital Outlay	<u>10,000</u>		
		<u>Finance</u>		
22696290	Transfers	<u>100,000</u>		160,000

Section 5. There shall be **un-appropriated** from the appropriated balance in Hotel Motel Fund 232 in the total amount of \$2,500,000.

There be un-appropriated from the Hotel Motel Fund:

		<u>Taxation</u>		
23240220	Other Expenses	<u>32,000</u>		
		<u>Streets</u>		
23240330	Other Expenses	<u>20,000</u>		
		<u>Parks Director</u>		
23240410	Personal Services	2,000		
	Other Expenses	<u>50,000</u>		
		<u>Park Operations</u>		
23240430	Other Expenses	33,000		
23280430	Capital Outlay	<u>10,000</u>		
		<u>Events Administration</u>		
23240450	Personal Services	78,500		
	Other Expenses	2,247,000		
23280450	Capital Outlay	<u>2,500</u>		
		<u>Operations</u>		
23250820	Other Expenses	<u>25,000</u>		2,500,000

Section 6. There shall be appropriated from the unappropriated balance in the new COVID19 Relief Fund the amount of \$3,000,000 to be allocated to account 26510290-713005 for costs attributed to the COVID19 pandemic and permitted under the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, and City Resolution No. 42-20.

Section 7. There shall be appropriated from the unappropriated balance in the in the Capital Improvements Tax Fund the total amount of \$1,915,000. Of that total amount, \$65,000 is to be allocated to account 40180320-735006 for culvert maintenance (AT19D), \$350,000 is to be allocated to account 40180350-735002 for the renovations of the Dublin Chamber of Commerce as per the rental agreement (Ordinance No. 34-19), \$1,000,000 is to be allocated to account 40180430-735005 for the South High Street Streetscape Improvement Project (GR201), and \$500,000 is to be allocated to account 40180290-736000 for land acquisition.

There shall be **un-appropriated** from the appropriated balance of the Capital Improvements Tax Fund the total amount of \$14,650,000. Of that total amount,

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\$6,520,000 is to be allocated from account 40180320-735006 for the Avery Road and Shier Rings Road Intersection Improvement Project (ET811), \$7,630,000 is also to be allocated from account 40180320-735006 for the University Phase 2 Project (ET517), and \$500,000 is to be allocated from account 40196290-741000 that was to be for a land acquisition transfer to the General Fund, but is appropriated above to be disbursed directly from Fund 401.

Section 8. There shall be **un-appropriated** from the appropriated balance in the Capital Improvements Recreation Fund the amount of \$800,000 allocated from account 40969290-741000.

Section 9. There shall be appropriated from the unappropriated balance of the Perimeter Center TIF Fund the amount of \$950,000 to be allocated to account 42580320-735004 for land acquisition costs associated with the US33/SR161/Post Road Interchange Design Upgrade – Phase 2 Project (ET003).

Section 10. There shall be appropriated from the unappropriated balance in the Perimeter West TIF Fund the amount of \$450,000 to be allocated to account 43180320-713004 for costs for the US33/SR161/Post Road Interchange Design Upgrade – Phase 2 Project (ET003).

Section 11. There shall be **un-appropriated** from the appropriated balance in the West Innovation TIF Fund the amount of \$2,860,000 to be allocated from account 45980320-735006 for the Eiterman Road Relocation Project (ET066).

Section 12. There shall be appropriated from the unappropriated balance in the Sewer Fund the total amount of \$205,000. Of that total amount, \$65,000 is to be allocated to account 62030330-713005 for costs associated with the Wedgewood Hills Sanitary Sewer Agreement, and \$140,000 is to be allocated to account 62080320-735008 for design costs associated with Sanitary Sewer Extension Projects.

Section 13. This ordinance shall take effect and be in force in accordance with Section 4.04(a) of the Dublin Revised Charter.

Passed this _____ day of _____, 2020.

Mayor – Presiding Officer

ATTEST:

Clerk of Council