

**DUBLIN CITY COUNCIL
FINANCE COMMITTEE
Tuesday, March 16, 2021
Virtual Platform
Minutes**

Ms. Alutto called the meeting to order at 4:01 p.m.

Committee members present: Mr. Peterson, Mr. Keeler and Ms. Alutto

Staff members present: Mr. Stiffler, Ms. Ocheltree, Ms. O'Callaghan

Also present: Rick Schwieterman, Chairman; Lynn Readey, Treasurer and Allison Srail, Board Member of the Bridge Park New Community Authority

APPROVAL OF MINUTES

Ms. Alutto moved to approve the Finance Committee minutes of February 17, 2021.

Mr. Keeler seconded.

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

DISCUSSION ITEMS

Mr. Stiffler gave a brief introduction of the items before the Committee.

Bridge Park New Community Authority

Mr. Stiffler introduced the members of the Bridge Park New Community Authority (BPNCA) that were present at the meeting. He provided an overview of the BPNCA, as follows:

- Statutory Purpose: To encourage the orderly development of a well-planned, diversified and economically sound new community. A new community can include facilities for the conduct of industrial, commercial, residential, cultural, educational and recreational activities.
- A New Community Authority: A separate public body governed by a board of trustees that may oversee the development of public infrastructure improvements and community facilities.
- Board of Trustees:
 - Seven to thirteen members
 - City Council appoints three (but not more than six) citizen members plus one local government representative.
 - The developer appoints a number of members equal to the number of citizen members.
 - Current City-appointed members are:
 - Rick Schwieterman, Chair
 - Lynn Readey, Treasurer
 - Sherri Tackett
 - A.C. Strip (as local government representative)
 - Current Developer-appointed members are:
 - Matt Starr, Vice-Chair,
 - Alison Srail, and
 - Jeff Roberts.

Mr. Stiffler noted the other partners that support the Board, such as Bricker & Eckler (Legal Reps), DiPerna Advisors (Calculation Agent), Clark Shaefer Hacket (Accounting, Audit and Tax), Squire Patton Boggs and City staff. He reviewed the powers of an NCA, which include:

- Purchase real/personal property;
- Improve/sell real/personal property and community facilities;
- Provide recreation, educational, health, social, vocational, cultural activities primarily for residents of the district;
- Collect service fees to cover community development programs;
- Enforce collection of Community Development Charge; and
- Issue debt and pay costs of operation and maintenance of community facilities.

Mr. Stiffler stated that the last three on this list have been the primary function of the BPNCA.

Mr. Schwieterman reiterated the definition of New Community Authority. There are people in the community that believe the NCA oversees the development activity in Bridge Park; this is not the case.

Ms. Readey stated that she is a founding board member from 2015. She added that since 2015, in any calendar year, the Board hasn't met more than three times. She stated that the function of the Board is to set the budget for the NCA, set the charges for coming calendar year, take action on agreements as necessary when block funding or financing comes up and tend to administrative details of the NCA as an entity. The NCA budget is a small piece of the overall Bridge Park development budget. She stated that the Board is updated at every meeting by the developer. She stated that they are the "guardrails" for assessments and the disbursement of those assessments.

Mr. Keeler thanked the members present for the update and for the work they do. Referring to information provided in the packet for the meeting, Mr. Keeler asked if staff had the boundaries for the Community Reinvestment Areas (CRA) that were mentioned. He asked if the Historic District is within a CRA. Mr. Stiffler will research and provide information on Mr. Keeler's question.

Ms. Alutto stated that the review of this information is helpful and she would like to have the BPNCA come to the Finance Committee at least once every two years as the membership on Finance Committee can change. She stated it is helpful for all of Council to review this information.

Ms. Readey stated that there are three entities involved with Bridge Park: the City, the NCA and the Finance Authority. She stated that there is not enough direct reporting among these entities. She recommended the BPNCA make a presentation to Council twice a year. Ms. Alutto agreed.

Mr. Schwieterman asked what the past practice has been regarding the status of Bridge Park and the NCA. Is it only when there is an issue, or financing of a certain block? Ms. Alutto stated that there are no structured touch points. Mr. Stiffler will bring anything forward that Council needs to be aware of, but it is appropriate for this entity to provide a report to Council as other entities do. Mr. Schwieterman stated that the BPNCA is accomplishing what was intended. The level of complexity is such that even twice a year it is tough to maintain the freshness regarding what has occurred and what is happening. He stated that Ms. Srail lives this each day, so she is a resource on the Board.

Mr. Peterson stated that Dublin is a City that has expectations of their leadership. He stated that the Board members are executive high level, and high functioning members with integrity and the community is comfortable knowing they are in the position of watching over this. He thanked them for their work. Ms. Readey stated that the very nature of the structure creates accountability.

Ms. Alutto asked if there are concerns with the financing structure as it is today. Ms. Srail stated that the 2021 development plan has plans moving forward with G Block. As to future development, Ms. Srail stated that they look forward to rounding out G Block, F Block and the balance of H Block. The existing bonds are in a good place, and no issues are projected. Mr. Schwieterman stated that there is nothing broken here. This BPNCA is working quite well and is serving the community quite well. He stated communications happening on a more consistent basis will be beneficial.

Mr. Keeler asked about reporting from the developer, other than the meetings, in report or presentation form. Mr. Schwieterman stated that the reporting works with the development schedule. Mr. Keeler asked if it would be possible to schedule these out so Council can know when to expect the report. Ms. Readey that the only issue would be that bond financing doesn't always come together on a schedule which makes future planning a challenge. Ms. Srail stated that there is one annual meeting every year where the charges are being set and another could be added in January as the two reporting periods. Ms. Alutto stated that the twice yearly reporting to Finance Committee would be great, but she would still recommend a yearly report to City Council. Mr. Schwieterman asked if there was an annual reporting requirement from the Franklin County Finance Authority. Ms. Srail stated there is an annual reporting requirement.

In response to Ms. Alutto's question regarding how the City can support the BPNCA, Ms. Srail stated that meetings such as this are very helpful. Mr. Schwieterman complimented Mr. Stiffler on his knowledge and understanding of the BPNCA. Ms. Alutto stated that knowledge transfer is very important too.

Ms. O'Callaghan stated that in her new role as Deputy City Manager, Chief Finance and Development Officer, she is working closely with Mr. Stiffler to get up to speed on these tools. Ms. Alutto thanked the BPNCA members for joining the meeting and keeping the communication lines open with City Council.

Review of 2021 First Quarter Revenues

Ms. Ocheltree gave the following update:

- Income Tax – receipts totaled \$15,307,448 which is an increase over the same time in 2020 of 4.5%.
- General Fund – 75% of the income tax receipts hit the general fund, the other 25% goes to Capital. Currently, this fund shows an increase of 1.69% over this time last year. Ms. Ocheltree described how the pandemic has affected some of these revenue categories. Ms. Alutto stated that watching the 20-day rule as it unfolds will be important.
- Recreation – In January, there were limited services offered due to the pandemic. February showed an improvement. Targets are expected to be met.
- Hotel/Motel Fund – A general fund transfer is anticipated this year. Ms. Ocheltree illustrated comparisons month-over-month for each year. Mr. Keeler asked about why the 2021 projections look less optimistic. Mr. Stiffler stated that there are several factors that go into that projection. The first is that 2020 was essentially one good quarter and three bad quarters whereas 2021 will be 4 bad quarters. Secondly, the City is fully supporting or subsidizing Dublin Arts Council and Visit Dublin. Another reason is that the City is assuming a normal Irish Festival, which ends up being revenue neutral, but it may not be normal which would reflect more of a deficit. Committee members agreed that it is good to be conservative. Ms. Alutto stated that it will be important to

report more on this fund than others this year. Mr. Stiffler stated that he is encouraged by the month-to-month outlook due to the 60% budget during the COVID spike and holiday travel. This is what we budgeted for, and continues to work in our favor.

Mr. Peterson stated he is encouraged. Every community is going through the same issues and he appreciates Finance staff tracking these funds to this detail.

Review of Dublin Arts Council 2021 Subsidy

Mr. Stiffler stated that the City provided \$304,000 in direct payments from the Hotel/Motel Fund and \$56,000 in rent forgiveness to the Dublin Arts Council (DAC) in 2020 for operating expenditures. The Dublin Arts Council had a budget in 2020 of \$802,500, which is 25% of the Actual Hotel Motel Tax Revenues. The 2020 actuals they received were \$296,826, so with the City's assistance, they were able to get closer to their budget. In 2021, the City estimated a decline of 60% in Hotel/Motel Tax, so the City budgeted \$360,000 to be disbursed to DAC. The year-to-date actuals are \$65,202, which includes \$15,500 in Art in Public Places refunds and rent forgiveness. In response to Mr. Keeler's question regarding the difference in budgets from 2020 to 2021, Mr. Stiffler stated that the \$360,000 for 2021 corresponds to the 2020 actual of \$296,826.

Review of Visit Dublin Ohio 2021 Subsidy

Mr. Stiffler reviewed the 2019 appropriations to Visit Dublin Ohio. The budget going into 2020 was about \$1.2 million. The 2020 actual was just \$583,397 in Hotel/Motel taxes. This amount does not include the \$300,000 subsidy provided by the City as part of the Dublin Restart Plan. Mr. Stiffler explained that for 2021, due to the unknown nature of the Hotel/Motel tax and seasonal nature of the revenue, the City provided a six month subsidy which a planned reevaluation in May. The budget was \$480,000 which assumed an estimated 60% decline. Year-to-date, they have been paid \$231,751. Mr. Stiffler stated that the Visit Dublin Ohio subsidy will be reviewed at the May Finance Committee Meeting.

Review of 2021 Hotel Motel Bed Tax Grants

Mr. Stiffler shared that even in a tough year in 2020, the City still spent approximately \$110,000 of the \$200,000 budgeted for Hotel Motel Grants. In 2021, the Finance Committee recommended, and Council approved \$185,442 in grant funding with an additional \$14,558 remaining to approve. Year-to-date there have been no money expended, but here are no canceled events just yet. Mr. Stiffler asked the Committee for feedback regarding how to disburse the \$14,558.

Ms. Alutto stated that the grant applications that did not get awarded their full requested amount would be the applications reviewed in May.

Mr. Keeler stated that he would like to have review of what was requested and already awarded. He would also like to know when this discussion takes place, what events were planned but did not occur which leaves money on the table.

Ms. Alutto stated that the Committee discussed having that review on an on-going basis. She added that it is more meaningful when the applicants attend the meeting. Mr. Stiffler inquired as to whether or not an additional application would be needed. Ms. Alutto stated that she did not feel an additional application was necessary. She would like the applicants to talk about the gap between what was requested and awarded.

Ms. Alutto asked that the topic of the future of this program and the amount budgeted be added to the agenda for a summer/fall future meeting for discussion.

Gasoline and Permissive Tax Revenue

Mr. Stiffler stated that this is a \$500,000 discussion that can be had as another lever that exists as part of the Capital Improvements Fund. There is no staff recommendation regarding these fees, but Mr. Stiffler wanted to have the discussion so the Committee and Council is informed of the funding options that exist. Permissive taxes are taxes on vehicle registrations that are levied by the taxing districts. The taxing district is identified by a County designation and a Municipal or Township residency. The City of Dublin is located in three taxing districts and City residents pay different levels of permissive vehicle registration taxes depending on the County in which they reside. Mr. Stiffler recalled Council's discussion of gas and permissive taxes in June of 2020. At the time of that discussion, Union County was charging no permissive tax and Delaware County was charging \$10. Since that discussion, the permissive taxes levied by County are as follows: Franklin County - \$20, Delaware County - \$15 and Union County - \$15.

Mr. Stiffler stated that permissive tax revenues are restricted funds. They must be used for planning, constructing, improving, maintaining and repairing public roads, highways, streets, and for the maintaining and repair of bridges and viaducts. The current balance in the Permissive Tax Fund 231 is just under \$300,000. The current revenue is just over \$100,000 a year. Expenditures for this fund are \$100,000 to \$200,000 for the repayment to the Capital Improvement Fund that was advanced for the relocated Rings Road (Churchman Road) project. Mr. Stiffler shared a chart to illustrate the Permissive Taxes relating to the Franklin County taxing district. The chart showed the various scenarios under which the City of Dublin would be able to act on these fees. Per ORC 4504.02, the funding levied by Franklin County is reserved for eligible projects in the City of Dublin. The current balance available for request is \$817,535. Generally, the City has submitted for reimbursement when the available balance is significant enough to fund a substantial portion of an eligible project.

Mr. Stiffler shared a chart illustrating the fees available to be levied from the Delaware Taxing District. Union County is very similar to Delaware County.

In conclusion, Mr. Stiffler stated that the City has the ability to levy additional permissive tax fees. New permissive tax fees begin collection July 1, which is the start of the state fiscal year. If the City levied all possible permissive fees it would annually generate from Franklin County, \$400,000; Delaware County, \$60,000 and Union County, \$45,000. Mr. Stiffler reiterated that this information was provided as information only to the Committee and staff has no recommendation at this time.

Mr. Peterson expressed appreciation for the information. He stated that given the financial strength of this community he does not see a reason to act upon these fees at this time.

Mr. Keeler agreed with Mr. Peterson. He doesn't want to raise taxes.

Ms. Alutto stated that she does not want to pull so many levers without knowing what is happening post-pandemic. She stated that it doesn't feel like the best time to act on anything. She expressed appreciation for the information. She encouraged Mr. Stiffler to keep bringing this topic up every few years to explore it again.

Mr. Keeler asked about the gas taxes and the increase in revenue. Mr. Stiffler stated that the gas usage bounced back and he predicts seeing an increase as we continue in 2021.

Mr. Stiffler stated that he will be sending messages out to Committee members regarding the next two meetings.

The meeting was adjourned at 5:33 p.m.

Clerk of Council