



To: Members of Dublin City Council
From: Dana L. McDaniel, City Manager
Date: November 9, 2021
Initiated By: Matthew L. Stiffler, Director of Finance
Melody Kennedy, Budget Manager
Meghan Murray, Financial Analyst
Re: Ordinance No. 89-21 – Amending the Annual Appropriations for Fiscal Year
Ending December 31, 2021 (Q4)

Summary

Ordinance No. 89-21 amends the annual appropriations for the fiscal year ending December 31, 2021 to provide supplemental funding in certain budget accounts for the fourth quarter of 2021. The following sections provide descriptions of the appropriations contained within each section of the Ordinance, and the reason for the request:

Section 1 requests the un-appropriation of \$55,000 in utility budget that will not be needed for the Dublin Community Recreation Center (DCRC), to be re-appropriate to the utility account in Parks Operations to cover unexpected utility costs that came on-line earlier this year in Riverside Crossing Park. The funds will be removed from the Recreations Services Fund (225) and moved into the General Fund (101). The financial impact of this request is net-neutral.

Initiating Department: Department of Finance, and the Department of Public Service (Section 1)

Sections 2 and 3 requests funding changes due to the lingering financial impacts of the COVID-19 pandemic. The impact of COVID-19 has resulted in a reduction in revenues associated with recreation's services, hotel motel tax, and the downsizing of the 2021 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.

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), and the Hotel Motel Tax Fund (Fund 232) need to be reduced to more accurately reflect expected revenues, with appropriations reduced accordingly.

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

Recreation Fund (225):

- Reduce revenue estimates for DCRC passes by \$115,000;
- Reduce appropriations (**un-appropriate**) about \$1.189 million from the Revised Budget.

Hotel Motel Fund (232):

- Reduce revenue estimates for events by approximately \$1.88 million;
- Reduce appropriations (**un-appropriate**) about \$1.51 million 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.

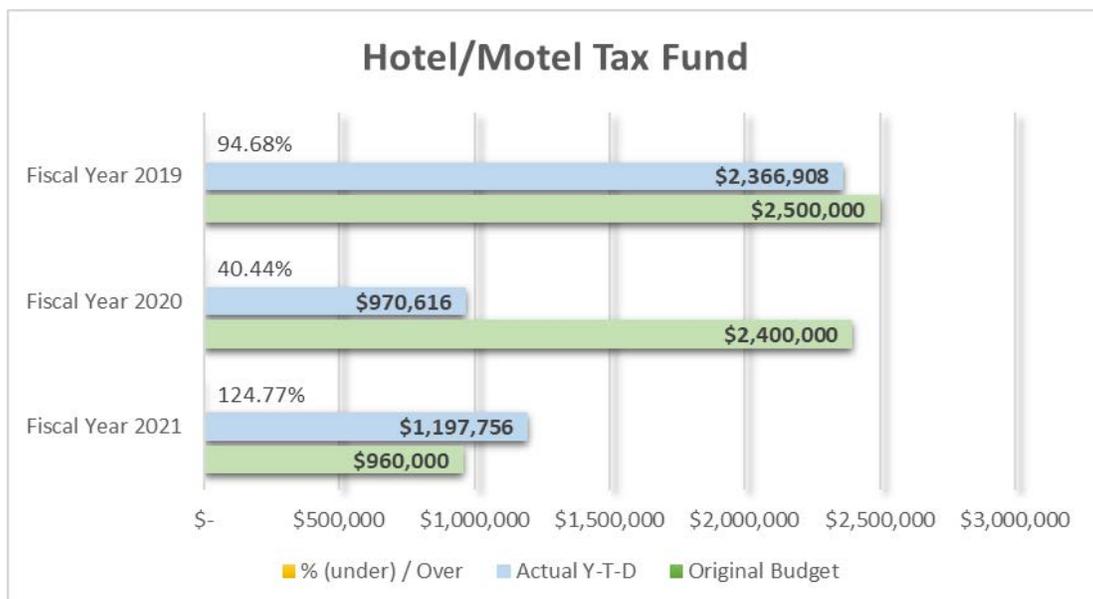
The proposed budget reductions still allow for sufficient budgets to fulfill normal operations for the remainder of the year. None of the full-time staffing budgets were impacted by these reductions.

This process is similar to the actions taken in the third quarter of 2020. The Department of Finance anticipates that 2021 will be the last year these Recreation and Community Events resource and appropriation reductions are necessary. Additionally, the DCRC reported that annual pass sales have risen in the past two months. They are optimistic that with effective membership recovery promotions, they can exceed their revenue estimates by year-end.

Initiating Department: Department of Parks & Recreation, and the Department of Finance (Sections 2 and 3)

Section 4 requests funding authorization in the Hotel/Motel Tax Fund in the amount of \$165,000 for grants (remission) to the Dublin Arts Council (DAC). This request is not due to a subsidy, but rather the higher than expected collection of Hotel/Motel tax for the calendar year. Originally the account was budgeted for 2021 at approximately 40% of the 2019 collections, however current collections are reflecting about 50% of the 2019 collections. As City Council will recall, the Hotel/Motel Tax collections are allocated to the City's accounts as 65% to the Hotel/Motel Tax Fund, and 35% to the Visit Dublin Ohio (VDO) Fund.

The financial impact of this request is net-neutral due to off-setting revenue.



As of November 4, 2021

Initiating Department: Department of Finance (Section 4)

Section 5 requests appropriation funding in the total amount of \$22,000 for the Law Enforcement Fund. Revenues in this fund are derived from contraband property seizures in accordance with Ohio Revised Code section 2981.13. Appropriations in this Fund are not usually made until needed. The funding authority requested in this Ordinance will be used for disbursement to other local agencies who were involved in the City's property seizures earlier this year. This is mandated by court order.

Initiating Department: Department of Finance, and Division of Police (Section 5)

Section 6 requests funding authorization in the COVID Relief Fund in the amount of \$4,279.60. This funding will reimburse expenditures to the Facilities accounts for HVAC equipment with ionization capabilities to help neutralize the COVID virus in the environment of City buildings. The funding was originally spent from the Capital Improvements Tax Fund, and will be reimbursed to that Fund.

Initiating Department: Department of Finance, and Division of Facilities Management (Section 6)

Section 7 requests funding authorization in the Capital Improvements Tax Fund in the amount of \$100,000 for the Bridge Park Fiber Project. In 2020, there was \$98,640 remaining un-spent at year-end in the *Fiber Installation for Blocks of Bridge Park build-out 96 count* fiber project. Those funds are now needed to move forward with the fiber project.

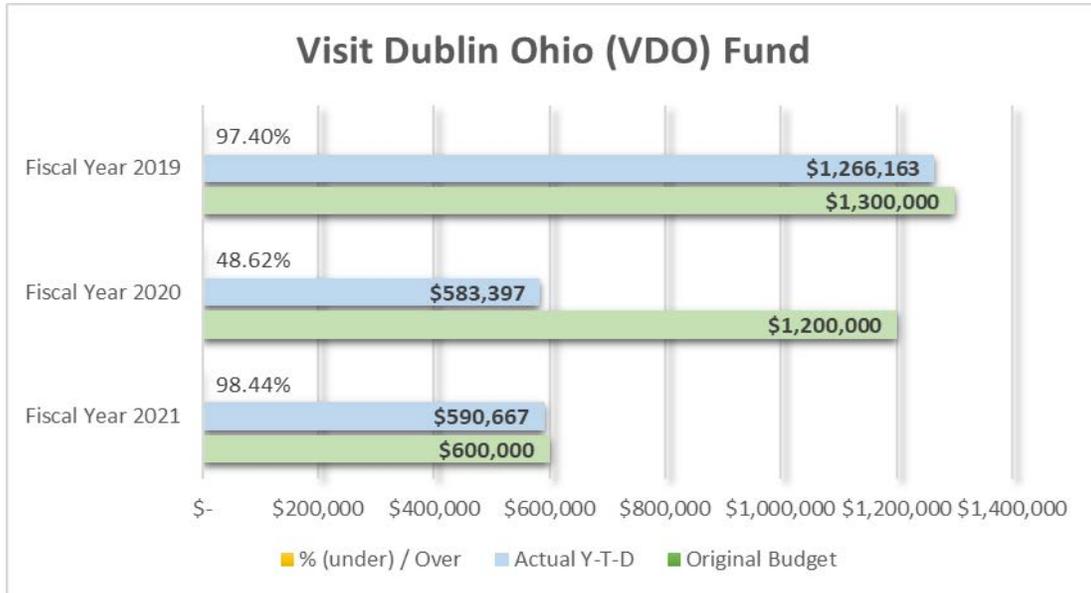
Initiating Department: Office of the City Manager, and Division of Information Technology (Section 7)

Section 8 requests funding authorization to move \$800,000 originally appropriated in the Thomas/Kohler Fund for repayment of advances, to the transfer line item in the same Fund. There is no net increase, just a movement in the line item accounts. This change has been recommended by the Auditor of State's Office as the best practice for repayment of funds to the Capital Improvements Tax Fund for debt service payments made. The Capital Improvements Tax Fund is being repaid by the TIF for funding the debt on the Woerner-Temple Road extension. The annual repayments are scheduled to extend through 2023.

Section 9 requests funding appropriation authority in the Bridge Park Block A TIF Fund (Ordinance No. 14-16) in the amount of \$7,995 for contractual obligations as specified in the Bridge Park Development Agreement. The service payment revenue is distributed according to the development agreement. These service payments will be used to pay-off the debt service. As City Council will recall, this revenue funds public roadway improvements, parking garages and community facilities. The City budgeted an estimate for this disbursement in the 2021 Operating Budget. However, circumstances arose causing the remittance amount from the County to be higher than estimated. The previous supplemental appropriation (Ordinance No. 55-21) authorized \$457,100 for this line item account, however the City received two extra payments for one parcel in Block A that had underpaid in 2020; another parcel increased in value by 271%, and another parcel increased by more than 20%. All of these factors contributed to the increase in revenue (and off-setting contractual obligation) for this Fund, which resulted in the need for this additional appropriation request.

Section 10 requests funding appropriation authority of \$230,000 for the Visit Dublin Ohio (VDO) Fund for disbursement of Hotel/Motel tax collections in the holding account. As with the additional appropriations needed for the DAC in section 6 of this Ordinance, this request is not due to a subsidy but rather the higher than expected collection of Hotel/Motel tax for the calendar year.

The financial impact of this request is net-neutral due to off-setting revenue.



As of November 4, 2021

Initiating Department: Department of Finance (Sections 8, 9 and 10)

Section 11 requests funding appropriation in the Central Ohio Interoperable Radio System (COIRS) Fund. As City Council is aware, these are funds held in an agency account for COIRS and its budget is governed by the COIRS Board. These are funds held in the Fiduciary Funds where assets are held for distribution by the City as an agent for another entity for which the City has custodial responsibility. For this reason, these Funds are considered clearing accounts and do not provide measurement of operations, and they are not required to be budgeted. However, the City prefers to monitor the accounts, and to the extent possible, eliminate deficit balances.

The COIRS Board has passed two supplemental appropriations recently. The first is for \$4,000 for legal services towards negotiations for the purpose of a possible co-location agreement on the Hutley Road tower. On October 22, the COIRS Board approved a supplemental appropriation in the amount of \$10,000 for 2020 invoices due to Verizon for connectivity to tower sites which were not identified until January 2021. Each payment (or remittance) made by the COIRS Board has a corresponding revenue source. These transactions have no net financial impact on the City's funds.

Initiating Department: Department of Finance, and Division of Police (Section 11)

Memo re. Ord 89-21

Amending the Annual Appropriations for Fiscal Year Ending December 31, 2021 (Q4)

Recommendation

Finance staff have been working with Department/Division Directors to confirm there are sufficient budgets to fulfill normal operations for the remainder of the year. Should issues arise prior to the December 6th meeting, adjustments will be made to the Ordinance and reported to City Council.

Staff recommends City Council approval of Ordinance 89-21, amending the Annual Appropriations for the Fiscal Year Ending December 31, 2021, at the second reading and public hearing of the Ordinance on December 6, 2021.

Exhibit A

Ord. Section Q4	Fund	Fund Description	Beginning Cash Balance as of 1/1/2021	Supplemental Appropriations Request (Q1)	Supplemental Appropriations Request (Q2)	Supplemental Appropriations Request (Q3)	Supplemental Appropriation Requests (Q4)	(4) Increases/Reduction of Budgeted Appropriations	(1) Budgeted Appropriations	(1) Encumbrances as of 1/1/2021	(2) Budgeted Revenues	(2) Increases/Reduction of Budgeted Revenues	(3) Ending Cash Balance After Supplemental Appropriations at 12/31/2021
1	101	General Fund	\$71,311,738	\$340,000	\$6,058,480	\$127,000	\$55,000	\$10,136,000	\$89,236,295	\$3,287,680	\$73,677,580	\$4,366,082	\$40,114,945
1, 2	225	Recreation Services	\$2,906,090	\$0	\$0	\$40,000	(\$1,174,105)	\$0	\$8,157,005	\$429,720	\$8,004,775	(\$325,000)	\$3,133,246
3, 4	232	Hotel/Motel Tax Fund	\$2,944,823	\$0	\$116,000	\$22,500	(\$1,342,500)	\$0	\$4,965,293	\$84,626	\$4,811,500	(\$1,887,500)	\$2,022,903
5	242	Law Enforcement Fund	\$123,421	\$0	\$0	\$0	\$22,000	\$0	\$7,000	\$0	\$700	\$29,000	\$124,121
6	265	COVID Relief Fund	\$307,221	\$0	\$0	\$0	\$4,280	\$0	\$0	\$307,221	\$0	\$4,280	\$0
7	401	Capital Improvements Tax Fund	\$39,707,926	\$2,960,000	\$443,920	\$0	\$100,000	\$0	\$46,974,550	\$16,610,265	\$43,857,139	\$0	\$16,476,330
8	419	Thomas/Kohler TIF Fund	\$3,763,447	\$0	\$0	\$0	\$0	\$0	\$3,309,000	\$169,016	\$740,000	\$0	\$1,025,431
9	469	Bridge Park Block A TIF Fund	\$0	\$0	\$0	\$457,100	\$7,995	\$0	\$600,000	\$0	\$600,000	\$465,095	\$0
10	804	Visit Dublin Ohio (VDO) Fund	\$31,437	\$0	\$0	\$0	\$230,000	\$0	\$600,000	\$0	\$600,000	\$250,000	\$51,437
11	807	COIRS Fund	\$471,429	\$9,500	\$10,000	\$0	\$14,000	\$0	\$317,500	\$5,332	\$333,600	\$0	\$448,697
Total Supplemental Appropriations Requested							(\$2,083,330)						

NOTES:

- (1) - Assumes all budgeted appropriations/encumbrances for 2021 are expended.
- (2) - Assumes revision in budgeted revenues (County Certificate filed for changes in resources).
- (3) - Estimates ending cash balance without further adjustments in expenditures or revenues for 2021.
- (4) - Ordinance 54-20 Riverview Street property acquisition, Ordinance 25-21 for debt service, and Ordinance #58-21 for the Haaf property acquisition.

RECORD OF ORDINANCES

Ordinance No. 89-21 Passed _____, 20____

AN ORDINANCE AMENDING THE ANNUAL APPROPRIATIONS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2021

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 the amount of \$55,000 in the unappropriated balance of the General Fund account 10140430-717005 for utilities in Parks Operations, and **un-appropriated** in the appropriated balance of the Recreation Fund the amount of \$55,000 in account 22540441-717005 for utilities for a net-neutral overall financial impact.

Section 2. There shall be **un-appropriated** from the appropriated balance in Recreation Fund the total amount of \$1,119,105.

There be un-appropriated from the Recreation Fund in the various account types:

	<u>Recreation Services</u>		
22540440	Personal Services	\$	325,000
	Other Expenses	\$	230,000
	<u>DCRC – Operations</u>		
22540441	Personal Services	\$	250,000
	Other Expenses	\$	125,000
	<u>Finance</u>		
22596290	Transfers	\$	189,105

Section 3. There shall be **un-appropriated** from the appropriated balance in Hotel/Motel Fund the total amount of \$1,507,500.

There be un-appropriated from the Hotel Motel Fund in the various account types:

	<u>Street Maintenance</u>		
23240330	Other Expenses	\$	10,000
	<u>Events Administration</u>		
23240450	Personal Services	\$	52,500
	Other Expenses	\$	1,445,000

Section 4. There shall be appropriated in the unappropriated balance of the Hotel/Motel Fund the amount of \$165,000 to account 23240210-754003 for Grants to the Dublin Arts Council for November and December payments. This is a net-neutral financial impact as there are off-setting revenues.

Section 5. There shall be funding appropriated in the unappropriated balance of the Law Enforcement Fund the amount of \$22,000 to account 24250820-713005 for payments to other government agencies for funds seized.

RECORD OF ORDINANCES

Ordinance No. 89-21

Passed Page 2, 20

Section 6. There shall be funding appropriated in the unappropriated balance of the COVID Relief Fund the amount of \$4,279.60 to account 26580290-732002 for reimbursement to Fund 401 for HVAC equipment costs related to neutralizing the COVID-19 virus in City buildings.

Section 7. There shall be funding appropriated in the unappropriated balance of the Capital Improvements Tax Fund the amount of \$100,000 to account 40180180-732000 for the Bridge Park Fiber Project (AI194).

Section 8. There shall be funding **un-appropriated** and re-appropriated in the balance of the Thomas/Kohler TIF Fund in the amount of \$800,000 from account 41997290-742000 (Advances) and moved to account 41996290-742000 (Transfers) for transfer to the Capital Improvements Tax Fund for reimbursement of project costs.

Section 9. There shall be funding appropriated in the unappropriated balance in the Bridge Park Block A TIF Fund the amount of \$7,995 allocated to account 46910290-719006 for contractual obligations.

Section 10. There shall be funding appropriated in the unappropriated balance in the Visit Dublin Ohio (VDO) Fund the amount of \$230,000 allocated to account 80410220-751008 for disbursement of their Hotel/Motel tax collections. This is a net-neutral financial impact as there are off-setting revenues.

Section 11. There shall be funding appropriated in the unappropriated balance in the Central Ohio Interoperable Radio System (COIRS) Fund the total amount of \$14,000. Of the total amount, \$4,000 is to be allocated to account 80710210-713002 for legal services, and \$10,000 is to be allocated to account 80710210-713004 for other professional services.

Section 12. 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 _____, 2021.

Mayor – Presiding Officer

ATTEST:

Clerk of Council