



**Office of the City Manager**  
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# Memo

**To:** Members of Dublin City Council  
**From:** Dana L. McDaniel, City Manager  
**Date:** September 6, 2022  
**Initiated By:** Matthew L. Stiffler, Director of Finance  
Jaime Hoffman, Deputy Director of Finance  
Melody Kennedy, Budget Manager  
Meghan Murray, Financial Analyst  
**Re:** Ordinance No. 34-22 – Amending the Annual Appropriations for Fiscal Year  
Ending December 31, 2022 (Q3)

## Summary

Ordinance No. 34-22 amends the annual appropriations for the fiscal year ending December 31, 2022 to provide supplemental funding in certain budget accounts for the third quarter of 2022. The following sections provide descriptions of the appropriations contained within the Ordinance, and the reason for the request. Details of the budget requests are as follows:

**Section 1** requests funding authorization in the General Fund:

### Income Tax Refunds

Budget authorization in the amount of \$400,000 is requested for income tax refunds. As we know, many employers allowed a significant number of employees to work from home either completely, or under a hybrid model during the COVID-19 pandemic. Provisions were made in HB 110, the State Budget Bill, which simplified paying local taxes for employers in 2021. This allowed employers to pay local taxes to the “principal place of work” (PPW) city through December 31, 2021 in which the employee reported to prior to the pandemic. Employees working outside of the PPW city would be eligible for a refund for time spent working outside of the City. Based on W-2 magnetic data, roughly 70% of employees previously working in the City of Dublin were non-resident employees. The original 2022 budget for income tax refunds was \$5,210,000. As of August 17, 2022, refunds of \$4,688,365 have been paid. There is a budget of approximately \$521,635 remaining for refunds to be disbursed through December 31, 2022. Last year, for the time period of August 17, 2021 through December 31, 2021 refunds of \$1,633,929 were distributed. One large taxpayer received a one-time refund of \$720,000 during that time period. Taking this into account, the City’s projected refund exposure through December 31, 2022 based on last year’s data (less the one-time large refund) is approximately \$913,930, leaving a deficit in the budget of \$392,295. A supplemental budget increase of \$400,000 is therefore requested to cover work-from-home and net profit refunds. Any un-used budget for tax refunds will lapse at year-end.

Income tax refunds are monitored on a daily basis by the Finance Department, and reported to City Council on a monthly basis.

### Real Estate Tax – Land Bank Parcel

The Finance Department is requesting an additional appropriation for real estate tax in the amount of \$32,000. In 2017, the City was included in a foreclosure lawsuit on a parcel of land in Franklin County (parcel no. 273-008415). By statute, the City has the right to acquire such property for its land bank. This is a .28 acre parcel located along Riverside Drive. Part of the parcel extends across Riverside Drive, and the remainder is passive green space/wooded area along the Scioto River. Because of the location of this

particular property, and proximity to the River, the City's Administration took advantage of this opportunity



to acquire it "free of charge" by way of the court proceeding initiated by Franklin County. At the time, the City was aware of a real estate tax lien for delinquent property taxes levied on the property. The tax lien was required to be paid at a later date upon completion of the land transfer. These cases are not completed in a timely manner. The property was finally transferred to the City of Dublin in March 2022. At that time, approximately \$30,000 in delinquent property taxes was required to be paid on the property. \$32,000

in additional funding for real estate taxes is being requested to cover this unexpected expense as well as provide a small contingency for additional unexpected expenses through year-end. An application for real tax exemption will be filed on this parcel when it becomes eligible next year.

#### Health Services - BOH

Additional funding in the amount of \$15,000 is requested for the 2022 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. The 2022 BOH contract was approved in November 2021 for \$471,527 which was approximately \$19,245 above the 2021 contract amount. Because the contract was approved in November, the 2022 Operating Budget had already been prepared and in-process of being approved by City Council. Although a small increase was provided for the BOH contract, the budget fell short approximately \$15,000. The City's Finance Department has contacted the BOH to inquire about its 2023 rates for this year's Operating Budget. The BOH rates will not be established until September 2022. A contingency amount will be included in the 2023 Operating Budget to hopefully negate this shortfall from happening in 2023.

**Section 2** requests funding transfer authorization in the General fund as a result of the City Manager's employment contract as approved in Resolution 41-22. At a special meeting held on August 2, 2022, City Council unanimously approved a motion initiating contract negotiations with Megan O'Callaghan, the City's Deputy City Manager/Chief Finance and Development Officer for the position of Dublin City Manager. Resolution 41-22 was approved by City Council during its meeting on August 22, 2022 with a negotiated start date of October 1, 2022. The requested budget transfer moves funding from the Deputy City Manager/CFDO's account and Economic Development's account to the accounts of the City Manager to cover personnel expenses in accordance with the employment contract. There is no net financial impact to the General Fund pursuant to this transfer as there are sufficient funds in the accounts (due to vacancies).

*Initiating Department: Department of Finance (Sections 1 and 2)*

**Section 3** requests funding authorization in the Hotel/Motel Tax Fund in the amount of \$15,000 for private security. Security costs for the Independence Day celebration and the Dublin Irish Festival have significantly increased since 2019. This is attributed to the vendor's rising staff costs. Additionally, more security positions were needed during these larger events to ensure safety. Funding originally budgeted for private security was \$27,000, but has since been revised to \$40,000. The Police Department is therefore requesting a budget increase of \$13,000 to cover the additional invoices for private security for both events, plus a contingency of \$2,000.

*Initiating Department: Department of Safety (Section 3)*

**Section 4** also requests funding authorization in the Hotel/Motel Tax Fund.

- Funding authorization in the Hotel/Motel Tax Fund in the amount of \$265,000 for grants (remission) to the Dublin Arts Council (DAC) is requested. This request is not due to a subsidy, but rather the higher than expected collection of Hotel/Motel tax for the calendar year. As of August 23, 2022, 89% of the expected annual Hotel/Motel tax collections have been made which exceeds the estimated collections for this time of year by more than 14%. As City Council will recall, the Hotel/Motel Tax collections are allocated to the City's accounts at a rate of 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.
- Funding authorization in the Hotel/Motel Tax Fund in the amount of \$3,705 for grants (remission) to the Bridge Park NCA is requested. This funding is for the annual remission from the operations of the Bridge Park AC Marriott and H2 Hotels for the Bridge Park Community Authority (via the Huntington National Bank) per the City's development agreement with Crawford Hoying Development Partners, LLC (Ordinance 44-15). 25% of the net annual lodging tax collected from the prior year (after remission to the VDO) is disbursed. For 2022, the net remission was \$128,702. The original budget amount was \$125,000. The annual grant is used by the Bridge Park NCA to pay a portion of the operating, maintenance and capital expense costs of the community facilities.

<u>Period</u>	<u>Remittance Year</u>	<u>Budget</u>	<u>Payment Amount</u>
January – December 2019	2020	\$125,000	\$124,365
January – December 2020	2021	\$125,000	\$ 62,904 (1)
January – December 2021	2022	\$125,000	\$128,702

*(1) – Due to financial impacts of the COVID-19 pandemic.*

**Section 5** requests budget appropriations of \$2,568,330 in funding subsidies received from the second tranche of the American Rescue Plan (ARP). The first tranche was allocated in the Q1 Supplemental Appropriations Ordinance 4-22. Using the revenue replacement option available to local governments, the City will increase appropriations by approximately \$2,568,330 in the City's Local Fiscal Recovery Fund for the purpose of public safety expenditures. Public Safety expenditures in the Safety Fund for salaries and benefits will subsequently be reduced via a reduction in appropriations, and the budgeted operating transfer from the General Fund to the Safety Fund will also be un-appropriated. These actions resulted in approximately \$5,155,000 in additional General Fund balance that is being used for City Council and Staff priorities per Ordinance 22-22 approved in June. The City is currently working on Memorandums of Understanding (MOUs) to distribute those funds as approved by City Council.

This section also includes a provision to disburse any additional fund balance in Fund 266 prior to December 31, 2022. To-date, the City has received \$20,506.79 more than anticipated. This is due to additional ARP funds being allocated to eligible entities from other organizations that returned un-used funds.

*Initiating Department: Department of Finance (Section 5)*

**Section 6** requests funds in the Capital Improvements Tax Fund for the following Transportation and Mobility projects:

- \$340,000 allocated to the Bright Road Corridor project. The funding requested provides for the detailed design of the Emerald Parkway at Mount Carmel Main Entrance intersection improvements planned in 2022. The project addresses the need for heightened traffic control along Emerald Parkway at the main access for the Mount Carmel Hospital, and is a term of the executed Infrastructure Agreement with Mount Carmel. This project is being coordinated with the Bright Road Corridor and Bright Road/Sawmill Road Intersection Improvement projects. Construction is expected to begin in 2023 and is included in the proposed 2023-2027 Capital Improvements Program.
- \$330,000 allocated for the agreement with ODOT through DriveOhio for the Connected Vehicle (CV) Roundabout Application Project as approved by City Council in Resolution 71-18. This is a re-appropriation of funding originally programmed in 2018 but remained un-used. As City Council will recall, the approved Resolution authorized a pilot deployment of technology to conduct connected vehicle research.

CVs are vehicles that use any of a number of different communication technologies to “talk” to one another. A connected vehicle communicates with the driver, other cars on the road, roadside infrastructure and the “Cloud.” The technology can be used to not only improve vehicle safety, but also to improve vehicle efficiency and commute times. This is planned as a pilot deployment of the application and is envisioned to collect data of circulating vehicles in roundabouts to inform approaching vehicle decision-making. This data will also be integrated with data at adjacent signalized intersections. The pilot deployment is planned to occur at the State Route 161/Riverside Drive roundabout. This is an optimal location since it incorporates a multi-lane roundabout within two signalized corridors. Work is planned to begin on this project before year-end.

*Initiating Department: Transportation and Mobility (Section 6)*

**Section 7** requests funds in the amount of \$325,000 in the Thomas/Kohler TIF Fund for the Avery Road and Rings Road/Cara Road Interim Intersection Improvements. This project was funded in the 2021-2025 CIP, and provides for temporary intersection improvements. The project will construct an interim roundabout at the intersection to alleviate the congestion and address safety concerns. The project also includes waterline extension and sanitary sewer extension Areas 8A, and a pedestrian walkway connection through the intersection. The requested funding partially re-appropriates the budget that lapsed at the end of 2021. This request reflects the mechanics of re-appropriating the funds again for use in 2022 as required by the Ohio Revised Code. The funding is now needed to start acquisition of rights-of-way for the project. The project was initially budgeted at \$2.5m. Construction is currently budgeted for 2023 within the 2023-2027 Capital Improvements Program.

**Section 8** requests funds in the amount \$375,000 to be advanced from the Water Fund to the Water Construction Fund, and expended in the Water Construction Fund for use in Water System improvement projects. This advance is necessary to cover construction costs above the original budget amount for the Riverside Drive Waterline Extension project, and the Waterline Replacement phase 6 project. Staff has determined that the bids were higher than expected for the Riverside Drive project due to multiple factors: overall higher inflation, increased trucking and fuel costs, material cost increases, and ductile iron pipe shortage.

<b>Project</b>	<b>Resolution No.</b>	<b>Budget Amount</b>	<b>Bid Amount</b>	<b>Additional Funding</b>
Riverside Dr. Waterline	32-22	\$1,130,000	\$1,259,000	approx. \$130,000

The waterline replacement (phase 6) project will replace aging smaller diameter 2-inch and 3-inch waterline with 6-inch water main, and hydrants in various locations in Muirfield. The project was bid on June 10, 2022 but not moved forward to City Council due to long lead times on materials and significant increase in supply costs. The project is expected to be re-bid later in 2022 with anticipated construction in 2023. Due to an anticipated increase in the project cost, an additional \$245,000 in funding authority is being requested to fund the project.

*Initiating Department: Engineering (Sections 7 and 8)*

**Sections 9 and 10** requests funding authorization in the Fiduciary Funds. As City Council is aware, these are funds 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. All payments made from these accounts within the Fiduciary Funds have revenue to offset the expenses with no net impact to the City's financial balance.

- Section 9 requests a \$500,000 appropriation for the Visit Dublin Ohio (VDO) Fund, for funding the convention and visitors bureau through funds disbursed through the Hotel/Motel tax collections holding account. As with the additional appropriations needed for the DAC in section 4 (above), this request is not due to a subsidy, but rather the higher than expected collection of Hotel/Motel tax. All things remaining consistent, the current collections are expected to exceed \$1m in 2022.

However, the financial impact of the appropriation request is net-neutral due to off-setting revenue. Any remaining un-spent appropriations will lapse at year-end.

#### **VDO – Fund 804 Activity**

<b><u>Period</u></b>	<b><u>804 Fund Collections</u></b>	<b><u>Actual Disbursement</u></b>
January - December 2019	\$ 1,274,489	\$ 1,266,163
January - December 2020	\$ 522,640	\$ 583,397
January - December 2021	\$ 820,061	\$ 781,972
January - August 2022	\$ 681,539	\$ 655,179
	<u>\$ 3,298,729</u>	<u>\$ 3,286,711</u>

*Note: Disbursements are a month in arrears of collections.*

- Section 10 requests \$400,000 in funding to cover Bridge Park NCA disbursements. Per the Bridge Street Development Agreement, the City is required to pay-out the County's collections of NCA charges and service payments (contractual obligations) from these TIFs. These are pass-through funds and the City has received revenue in these funds completely off-setting the requested appropriations.

*Initiating Department: Finance (Sections 9 and 10)*

**Recommendation**

Staff recommends City Council approval of Ordinance 34-22, amending the Annual Appropriations for the Fiscal Year Ending December 31, 2022, at the second reading and public hearing of the Ordinance on September 26, 2022.

## Exhibit A

Ord. Section Q2	Fund	Fund Description	(4)				Supplemental Appropriations Request (Q3)	(1)	(1)	(2)	(2)	(3)
			Beginning Cash Balance as of 1/1/2022	Supplemental Appropriations Ord No. 03-22	Supplemental Appropriations Request (Q1) Ord No. 04-22	Supplemental Appropriations Request (Q2) Ord No. 19-22		Budgeted Appropriations as of 1/1/2022	Encumbrances as of 1/1/2022	Budgeted Revenues as of 8/29/2022	Increases/ Reduction of Budgeted Revenues Q3	Ending Cash Balance After Supplemental Appropriations as of 8/29/2022
1	101	General Fund	\$ 57,485,989	\$ -	\$ (2,368,339)	\$ -	\$ (2,141,846)	\$ 86,339,900	\$ 4,122,792	\$ 83,077,960	\$ -	\$ 54,611,442
3,4	232	Hotel/Motel Tax Fund	\$ 2,908,368	\$ -	\$ 150,000	\$ 427,600	\$ 283,705	\$ 5,480,000	\$ 329,803	\$ 5,355,500	\$ -	\$ 1,592,760
5	241	Safety Fund	\$ 2,414,491	\$ -	\$ (2,568,339)	\$ -	\$ (2,588,846)	\$ 19,416,275	\$ 174,125	\$ 19,037,800	\$ -	\$ 7,019,075
5	266	Local Fiscal Recovery Fund	\$ 2,568,339	\$ -	\$ 2,568,339	\$ -	\$ 2,588,846	\$ -	\$ -	\$ 2,568,339	\$ 20,515	\$ 8
6	401	Capital Improvements Tax Fund	\$ 39,952,450	\$ -	\$ 2,715,000	\$ 3,275,000	\$ 640,000	\$ 46,715,715	\$ 18,810,746	\$ 34,849,767	\$ -	\$ 2,645,756
7	419	Thomas/Kohler TIF	\$ 2,973,761	\$ -	\$ -	\$ -	\$ 325,000	\$ 812,000	\$ 169,016	\$ 630,000	\$ -	\$ 2,297,745
8	610	Water Fund	\$ 12,498,586	\$ -	\$ 2,725,000	\$ -	\$ 375,000	\$ 1,795,330	\$ 410,741	\$ 1,312,500	\$ -	\$ 8,505,015
8	612	Water Construction Fund	\$ -	\$ -	\$ 3,855,000	\$ -	\$ 375,000	\$ 1,595,000	\$ -	\$ 5,450,000	\$ 375,000	\$ -
9	804	Visit Dublin Ohio Fund	\$ 69,526	\$ -	\$ -	\$ -	\$ 500,000	\$ 800,000	\$ -	\$ 800,000	\$ 500,000	\$ 69,526
10	805	Agency Fund	\$ 313,677	\$ -	\$ -	\$ -	\$ 400,000	\$ 3,391,150	\$ -	\$ 3,262,220	\$ 300,000	\$ 84,747
Total Supplemental Appropriations Requested							\$ 756,859					

**NOTES:**

- (1) - Assumes all budgeted appropriations/encumbrances for 2022 are expended.  
(2) - Assumes all budgeted revenues for 2022 are collected.  
(3) - Estimates ending cash balance without further adjustments in expenditures or revenues for 2022.  
(4) - Deer Run Force Main and Lift Station debt approved by City Council on February 28, 2022.

RECORD OF ORDINANCES

Ordinance No. 34-22 Passed , 20

AN ORDINANCE AMENDING THE ANNUAL APPROPRIATIONS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2022

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 following amounts:

10110220-755000	Income Tax Refunds	\$	400,000
10110290-711003	Real Estate Tax	\$	32,000
10160290-714002	Health Services	\$	15,000

Section 2. There shall be funding transferred in the General Fund from the Deputy City Manager/CFDO's line item account and the Economic Development line item account to the Office of the City Manager (OCM) to cover the funding of the employment contract as approved in Resolution #41-22. This transfer entails no additional appropriations in the General Fund:

OCM			
10110110-701101	Salaries	\$	68,000
10110110-701201	Employee Benefits	\$	22,500
10110110-702000	Travel/Training	\$	4,500

Deputy City Manager/CFDO			
10110112-701101	Salaries	\$	(40,000)
10110112-701201	Employee Benefits	\$	(11,250)
10110112-702000	Travel/Training	\$	(4,500)

Economic Development			
10110740-701101	Salaries	\$	(28,000)
10110740-701201	Employee Benefits	\$	(11,250)

Section 3. There shall be funding appropriated from the unappropriated balance in the Hotel/Motel Tax Fund to cover increased security costs associated with the Independence Day celebration and the Dublin Irish Festival in the amount as follows:

Safety Funding			
23250820-713005	Miscellaneous Contractual Services	\$	15,000

Section 4. There shall be funding appropriated from the unappropriated balance in the Hotel/Motel Tax Fund to cover increased program expenses in the amounts allocated as follows:

23240210-754003	Grants/ DAC	\$	265,000
23240210-754005	Grants/ Bridge Park NCA	\$	3,705

RECORD OF ORDINANCES

Ordinance No. 34-22 Passed Page 2, 20

**Section 5.** There shall be appropriated in the unappropriated Fund Balance of the Local Fiscal Relief Fund for funding the American Rescue Plan Act of 2021 the total amount of \$2,588,845.63 to be allocated to account 26650820-701101; there shall be **un-appropriated** in the Safety Fund the total amount of \$2,588,845.63 from account 24150820-701101, and there shall be **un-appropriated** in the General Fund the transfer to the Safety Fund from account 10196290-741241 to decrease the General Fund subsidy to the Safety Fund in the same amount.

This appropriation in Fund 266 will net the Fund Balance to zero. This ordinance hereby authorizes the disbursement of the total fund balance before December 31, 2022 should the total fund balance change (increase or decrease) prior to December 31, 2022 from the amount listed in section 5 of this ordinance.

**Section 6.** There shall be funding appropriated in the unappropriated balances of the Capital Improvements Tax Fund in the amount allocated as follows:

Transportation and Mobility:

<u>Bright Road Corridor – ET192-2022</u>		
40180750-736000	Other Capital Improvements	\$ 340,000
<u>DriveOhio – Connected Vehicle Roundabout – AI172</u>		
40180750-736000	Other Capital Improvements	\$ 330,000

**Section 7.** There shall be funding appropriated in the unappropriated balances of the Thomas/Kohler TIF Fund in the amount allocated as follows:

<u>Engineering</u>		
<u>(Avery Road and Rings Road/Cara Road Interim Intersection Improvements – ET202)</u>		
41980320-735004	New Streets	\$ 325,000

**Section 8.** There shall be appropriated in both the unappropriated balances of the Water Fund and the Water Construction Fund for waterline replacements as follows:

<u>Water Fund</u>		
61097740-742000	Advance to Water Construction Fund	\$ 375,000
<u>Water Construction Fund</u>		
61280320-735009	Water System Improvements	\$ 375,000

**Section 9.** There shall be appropriated in the unappropriated balance in the Visit Dublin Ohio Fund (aka Dublin Convention and Visitors Bureau) the amount of \$500,000 allocated to account 80440210-751008 for disbursement of collections. All expenditures from this Fund are covered by receipts resulting in no net financial impact to the City’s treasury.

**Section 10.** There shall be appropriated in the unappropriated balance in the Agency Fund the total amount of \$400,000. Of that total amount, \$320,000 is to be allocated to account 80510210-719006 for Bridge Park NCA contractual obligations, and \$80,000 is to be allocated to account 80510210-755026 for Bridge Park NCA charges. All disbursements from this Fund are covered by receipts resulting in no net financial impact to the City’s treasury.

**Section 11.** This ordinance shall take effect and be in force in accordance with Section 4.04(a) of the Dublin Revised Charter.

RECORD OF ORDINANCES

Ordinance No. 34-22

Passed Page 3, 20

Passed this      day of      , 2022.

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Mayor – Presiding Officer

ATTEST:

\_\_\_\_\_  
Clerk of Council