



**FINANCE & ADMINISTRATION SUB-COMMITTEE
SPECIAL MEETING MINUTES
Wednesday, April 26, 2017 - 7:30 AM
West Des Moines City Hall – 4200 Mills Civic Parkway
Training Room, 2nd Floor**

Present: Councilmember Russ Trimble, Councilmember Jim Sandager, City Manager Jamie Letzring, City Attorney Dick Scieszinski, Community & Economic Development Director Clyde Evans, Human Resources Director Jane Pauba Dodge, Communication Specialist Lucinda Stephenson, Accounting Manager Becky Scott, Budget Analyst Chris Hamlett, Payroll Coordinator Julie Clarken, and Administrative Secretary Maureen Richmond

Guests: Gene Meyer, Greater Des Moines Partnership Item 1
 Kelly Sharp, Heart of Iowa Item 2

Meeting was called to order at 7:30 AM

1. Greater Des Moines Partnership Funding Pledge

In 2012 the City Council approved a five year Greater Des Moines Partnership Funding Pledge for an annual \$25,000 with Greater Des Moines Partnership to be used for operations. The term of the funding was approved for fiscal years 2013-14 thru 2017-18. With the funding pledge expiring in 2017-18, Mr. Meyer (representing the Partnership) is requesting the City to continue their funding pledge but with an increase of \$5,000 making the pledge an annual \$30,000 for the next five years thru 2022. The Partnership has not asked for an increase since the funding campaign started in 1999. Des Moines pledges \$100,000 and Polk County pledges \$250,000.

The Councilmembers supported to renew the Greater Des Moines Partnership Funding Pledge in the amount of \$30,000 annually for a five year commitment and agreed to place the item on the City Council agenda for full consideration at a future meeting.

2. Property Improvement Fund Program and Regulatory Compliance Fund Program – Recipient Recommendation from Due Diligence Committee

On April 21, 2017, the Due Diligence Committee that was created to review applications for assistance under the Property Improvements Fund (PIF) and the Regulatory Compliance Fund (RCF) met to review and score five applications for the PIF Program and six applications under the RCF Program.

Mr. Evans noted based upon the criteria the Committee scored the applications; the average of all the recipients' scores was tallied and scored. The Due Diligence Committee recommends the following companies to be awarded funding:

Property Improvement Fund

KCL Engineering	\$ 75,000
Vino 209 (Kelly Sharp)	75,000
New Silk Road (Veiock)	56,250
Nan's Nummies (Veiock)	8,470
Inspire Papercrafting (Veiock)	<u>11,746</u>
Total	\$226,466

Regulatory Compliance Fund

KCL Engineering	\$ 75,000
Vino 209 (Kelly Sharp)	75,000
New Silk Road (Veiock)	28,125
National Speech and Debate Assn.	1,088
Nan's Nummies (Veiock)	2,340
Vandenburg	<u>4,500</u>
Total	<u>\$186,053</u>
Grand Total of Funding	<u>\$412,519</u>

The next round of applications will be approximately July 1, 2017.

The Councilmembers supported awarding the Improvement Funds and agreed to place the item on the City Council agenda for full consideration at its meeting of May 1, 2017.

3. Review FY 2016 Comprehensive Annual Financial Report

Mr. Stiles presented the FY 2016 Comprehensive Annual Financial Report (CAFR) letter of opinion from the City's auditors Eide Bailly. The audit period was from July 1, 2015 to June 30, 2016. He noted that several inaccuracies were noted by the auditors during their fieldwork, and also that the findings were adjusted and reflected properly in the final report. Additional findings included:

- Due to the City transitioning to a new financial reporting system, staff and management failed to adequately refine the City's system of internal controls. The results were incomplete reconciliations of key accounts during the transition.
- Procurement and Suspension and Debarment – The City will implement procedures and train staff in charge with administrating grants to provide assurance that none are awarded to suspended or debarred recipients.

Councilmembers acknowledged the CAFR report findings.

4. Extension of Auditing Services Agreement – Eide Bailly

Mr. Stiles presented an Extension of Auditing Services Agreement from Eide Bailly.

Eide Bailly has services as the City's independent financial audit firm for the past five years. They were originally selected as the successful proposer of a Request for Proposal (RFP) process

conducted in 2012. The conditions of the RFP documents allowed for a five-year initial term and to two year extension if agreeable to both parties. The increase will be \$2,100 in fiscal year 2017-18 and another \$2,200 in fiscal year 2018-19.

The Councilmembers supported a two extension to the Agreement with Eide Bailly for the annual financial audit. Formal council approval is not required.

5. Other Matters

- Mr. Trimble noted with Polk County raising the property approximately 8% on assessed value of property in 2016, the City should consider a reduction for property tax in FY 2018-2019. He recommended staff to review the future 2019 budget.
- Councilmember Sandager noted his concern regarding the proposed 88th and Mills Civic Parkway Improvements discussed at the April 19, 2017 Finance meeting. Mr. Trimble was absent from this meeting. The concern was the proposed widening of Mills Civic Parkway, commercial only zoning issues for future development, and possible special assessment to property owners.

Councilmembers recommended to not proceed with the proposed improvement at this time.

- Mr. Trimble voiced concerns with the DelVoda agreement presented at the April 19 Finance meeting (Mr. Trimble was absent from this meeting). A few concerns mentioned:
 - Advancing \$70,000 with no repercussion
 - Requested presentations from Israel prospects. *Mr. Sandager had the opportunity to skype with one of the prospects recently.*
 - Is this \$150,000 grant awarded from the City taxpayers? *Staff responded the funds will be paid out of Hotel/Motel funds.*
 - The City should focus on small businesses located in WDM

6. Staff Updates

Ms. Dodge and Mr. Stiles noted they met with Frank Berlin & Associates, the City's employee health insurance benefit advisor to evaluate the cost for fiscal year 2017-18. Due to a favorable claims expense, staff is recommending no increase in health insurance premium for employees.

Meeting was adjourned at 9:05 AM.

Respectfully Submitted,


Maureen Richmond
Administrative Secretary