



**FINANCE & ADMINISTRATION SUB-COMMITTEE
MEETING MINUTES
Wednesday, January 23, 2019 - 7:00 AM
West Des Moines City Hall – 4200 Mills Civic Parkway
Council Chambers**

Present: Councilmember Russ Trimble, Councilmember Jim Sandager, Deputy City Manager Jamie Letzring, Finance Director Tim Stiles, Community and Economic Director Clyde Evans, Budget Analyst Chris Hamlett, and Administrative Secretary Maureen Richmond

Guests: Mr. Bob Quinn, Tiger Softball
Ms. Kelly Ahr, Ballet Des Moines
Mr. Serkan Usta, Ballet Des Moines
Mr. Ryan Osborn, Junior Achievement
Ms. Katie Vine, Junior Achievement
Mr. Jason McArtor, WDM Softball
Ms. Julie Elliason, WDM Business Incubator
Mr. Mike DeKock, WDM Business Incubator

Meeting was called to order at 7:00 AM

1. Hotel/Motel Presentations

Prior to the December 21, 2018, deadline, fifteen (15) organizations completed applications for discretionary Hotel/Motel Tax funding for the upcoming fiscal year beginning July 1, 2019. Three (3) applications are new organizations. Part of the application process includes a brief presentation by the applicant organization to the F&A committee. Mr. Stiles noted that these presentations are scheduled to occur over the course of three (3) meetings, with this meeting including the **third round** of presentations. Councilmembers will ultimately recommend funding after all 15 presentations are received and the recommendation will be included in the FY 2019-20 budget, which will be presented to Council for approval in February.

a. Tiger Softball

Mr. Bob Quinn, 807 38th Street, West Des Moines, Representative of Tiger Softball Club, provided a summary of his program. The organization is requesting \$2,000, the same amount as the previous year. Last year's funds were to upgrade the video software system at the Valley Field and an additional video system that is utilized indoors.

Mr. Quinn noted that the mission of the Tiger Softball Club is to provide instructional programming to girls in grades 3-8 who would like to play softball at a competitive level. The program started in 1999 by serving 36 girls, and this past season the Club served approximately 100 girls.

The club primarily uses the facilities of Valley High School and draws on the coaching expertise

of the Valley High School staff along with volunteers. Although most of the participants are WDM school players, the Club has also seen participants from Dowling, Waukee, and other schools. Member dues and fees pay for all tournament and travel expenses of the club.

This year's funds, if awarded, will be used for a video pitching program as an educational tool, which is a continued need, and for teaching technology.

b. Ballet Iowa

Ms. Kelly Ahr and Mr. Serkan Usta, representatives of Ballet Des Moines, 121 S. 11th Street, Suite #100, West Des Moines, provided a summary of their organization. The organization is requesting \$19,000 this year and received \$14,000 last year. The funds were used for a new dance floor in their studio and is used for practices and performances, as well as for repairs to the subfloor.

The not-for-profit Ballet Des Moines is the community's only resident professional ballet company. This organization educates the younger generation in the arts of dance and movement. Currently the Ballet have nine paid full time professional dancers. The performances involve over 500 children and their parents, all of whom volunteer and 75% live in West Des Moines. Ballet Des Moines presented Nutcracker in 2018 and in 2019 will present "A Princess Mermaid Ballet" at the Civic Center which will be a partnership with local dance groups. Also, the Ballet will have several other pop up performances throughout the year, held at Valley High School with the assistance the high school drama teacher.

One of their supporters is BRAVO, giving their organization a donation of \$42,500 for operating expenses. Also, Ballet Iowa qualified for funding in the amount of \$5,000 from the Iowa Department of Cultural Affairs Iowa Arts Council.

This year's funds, if awarded, will be used for costumes and set design for "A Princess Mermaid Ballet" performance. The costumes and set design will be able to be used again in three years, when the company performs "A Princess Mermaid Ballet" again.

c. Junior Achievement (JA)

Mr. Ryan Osborn and Ms. Katie Vine, representing Junior Achievement of Central Iowa (JA), 6100 Grand Avenue, Des Moines, provided a summary of the program. The organization is requesting a \$5,000 contribution, which is consistent with the amount requested and received in the previous year. Those funds were used to support JA educational programs.

Junior Achievement is the nation's largest organization dedicated to giving young people the knowledge and skills they need to own their economic success, plan for their future, and make smart academic and economic choices. A large part of this program is to facilitate a standing display called JA BizTown, which simulates the workings of a city. The funding from the City will provide funding for the exhibit's storefront along with paying for some of their program materials, maintenance, and technology. JA BizTown primarily serves students in 4th to 6th graders and focused on financial literacy, work readiness and entrepreneurship.

JA Biz served 1,139 West Des Moines students during this school year which represented 18% of all students served in the program. The cost for each student participating is \$56.40.

The organization received a \$10,000 grant from Polk County and various funding from the Variety Club for the underprivileged students.

The City funds, if awarded, will be used to support JA programs including BizTown and a new program called JA Finance Park learning for 7th and 8th grade students. The new program will educate on money management. It was noted that the JA programs align with Iowa Core Curriculum standards adopted by the Iowa Department of Education.

d. WDM Girls Softball

Mr. Jason McArtor, representing West Des Moines Girls Softball (WDMGS), provided details of their plans for using this year's request of \$30,000. The organization received \$20,000 funding last year which were used for softball player's scholarships and several improvements to their facilities at Holiday Park including shade sails for the concessions stand, improvements to Kimball & Rodish fields, updates to the warm-up pitching areas, and an added cement slab for the grilling area behind the concession stand.

Since the 1960s, WDMGS has provided thousands of girls from kindergarten through 8th grade an opportunity to participate in recreational and competitive softball. In 2018 there were 385 participants in the spring and the competitive tournament program has 125 participants and 200 participants in the fall. In addition to the recreational teams, WDMGS runs a tournament team program designed to provide girls to experience in the competitive environment.

This year's funds, if awarded, will be used for continued field improvements in a 5-year plan which includes batting cages for the outer fields, additional shade sails, a new playground, and scholarship money for tournament and recreation league players

e. WDM Business Incubator

Mr. Mike DeKock and Ms. Julie Elliason, representatives of West Des Moines Business Incubator, 318 5th Street, provided a summary of the organization. They are requesting funding for \$20,000 to \$70,000. The organization didn't apply for funding the previous year, but in FY 17-18 the Incubator received funds in the amount of \$10,000 and were utilized in the relocation cost to 318 5th Street, including purchasing AV equipment which allowed the Incubator to host speakers, workshops, and other meetings.

The Incubator is used to support entrepreneurial efforts in the City and was created to demonstrate the City's leadership in growing start-up and small business ventures. Recently, the Incubator board has worked on revamping and mentoring its event programs for clients. Towards the end of 2018 the Incubator launched a new program that better aligns the strengths of the organization with the needs of prospective businesses in the Greater Des Moines area. The Incubator Board intends to develop and launch an intensive marketing and recruitment campaign that will require vendor resources.

Mr. Trimble voiced concerns regarding the direction of the Incubator and requested that the Incubator work toward a stronger strategic business plan and goals. Mr. Trimble suggested that the WDM Chamber would be a good source to provide support for the Incubator.

Mr. DeKock and Ms. Elliason indicated that the funds, if awarded, would be used as follows:

- \$5,000 for marketing
- \$5,000 for programming and business development for members
- \$12,000 for debt elimination (owed to the City of WDM)
- \$10,000 to \$48,000 for signage and garage improvements

Committee Final Deliberations Regarding Hotel Motel Tax Applications

The Councilmembers wanted to bring discussion of Hotel/Motel applications to a close by discussing preferred funding levels for each organization. Discussion resulted in these recommendations, which were agreed to by both Councilmembers and staff:

<u>Organization</u>	<u>Amount</u>
Tigers Softball	\$ 2,000
WDM Chamber of Commerce	75,000
WDM Historical Society	50,000
WDM Soccer Club	20,000
Historic Valley Junction Foundation	125,000
Eddie Davis Community Center	15,000
WDM Girls Softball Association	25,000
Iowa Sports Foundation for the Senior Games	10,000
Tallgrass Theatre Company	10,000
Junior Achievement of Central Iowa	5,000
Ballet Des Moines	16,500
Des Moines Children’s Museum	20,000
Innovation Collaboration Excellence (Valley Robotics)	2,500
Friends of the Terrain Therapy Garden Project	5,000*
WDM Business Incubator	<u>5,000**</u>
Total	\$386,000

*Friends of the Terrain Therapy Garden Project is one-time funding

**WDM Business Incubator – note the Incubator has a 3-year building improvement loan agreement in the amount of \$36,000 with the City, this year being the final payment. The incubator requested to defer final payment of \$12,000 due February 1, 2019 until February 1, 2020. Councilmembers agreed to defer payment and reduced funding request to offset the request.

The Councilmembers recommended that this FY 2019-20 Hotel/Motel Tax allocation be incorporated into the City’s overall FY 19-20 Operating Budget, which will be presented during a Public Hearing at the February 19, 2019, City Council meeting.

2. Accounting Policy Revision – Accrual Period for Cash Receipts

Mr. Stiles presented a change in accounting policy for the accrual period for cash receipts. Currently, the City considers revenues to be available if they are collected within 90 days of the current fiscal period. This policy was adjusted from 60 to 90 days a few years ago in response presentation issues due to later-than-expected receipts of Hotel/Motel tax revenues from the State of Iowa. Since the change, there have been delays in year-end accounting processing.

The State of Iowa has recently been timelier with its payments, so staff would prefer the 60 day policy. As long as the policy is approved by Council and consistently applied, either date range conforms to Generally Accepted Accounting Principles. Staff is recommending to change the policy from 90 to 60 days of the end of the current fiscal period, effective for Fiscal Year Ending June 30, 2019, and subsequent years.

Councilmember supported the change. This policy amendment will be presented to City Council for approval at a future Council meeting.

3. Osmium Water Supply Financing – Agreements with WDM Water Works

Mr. Stiles presented an agreement between the City and WDM Water Works (WDM WW) for work associated with Microsoft Project Osmium Infrastructure (Water Mains & Pump Stations) expansion within the Raccoon River area. The City will upfront the cost from TIF funds for water-related improvements and WDM WW will pay back with low interest. The project cost will be approximately \$2-3 million.

Councilmembers supported the City and WDM Water Works Osmium Financial obligation agreement and recommended the item to be placed on a future City Council meeting for consideration and approval.

4. Staff Updates

- Ms. Letzring noted that the City and WDM Schools had a verbal agreement approximately 15 years ago sharing and using fiber optic lines and conduit. She noted a new agreement will be written between the two parties to memorialize the understanding. Councilmembers supported negotiating the agreement and presenting to full Council for approval.
- Mr. Evans noted that the City qualifies to apply funding up to \$200,000 through the State of Iowa Great Places Grant Program. If approved, the Grant would be approved by the Council at a future meeting.
- Mr. Evans noted that staff is exploring a different strategy to update an amend Urban Renewal Areas. Currently this process involves a separate amendment for each new development agreement, and it is proving to be time-consuming for staff and an expensive cost for outside Legal Counsel. Research is showing that other cities use a strategy of annual updates. This would require some clarification and additional documentation on the front-end but likely will be beneficial over the long-term.

6. Other Matters

None

Meeting was adjourned at 8:28 AM.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Maureen Richmond". The signature is written in black ink and is positioned above the typed name.

Maureen Richmond
Administrative Secretary