



**MEETING MINUTES**  
**FINANCE & ADMINISTRATION SUB-COMMITTEE**  
**Wednesday, February 17, 2021 - 7:00 AM**  
**Held via Microsoft Teams**

Present: Councilmember Russ Trimble, Councilmember Greg Hudson, City Manager Tom Hadden, Deputy City Manager Jamie Letzring, Finance Director Tim Stiles, Budget Analyst Chris Hamlett, Accounting Manager Lesley Montgomery, Community and Economic Director Clyde Evans, Housing Planner Christine Gordon, City Attorney Dick Scieszinski, Human Resources Director Jane Dodge, City Engineer Brian Hemesath, Human Services Director Althea Holcomb, and Secretary Katie Johnson

Meeting was called to order at 7:00 AM

**1. First National Bank – Development Agreement**

Mr. Evans stated that First National Bank had previously submitted an application with the City to be considered for the Property Tax Rebate Program. The request was supported at a Finance and Administration Subcommittee meeting and approved through City Council on March 16, 2020; however, their project was delayed due to COVID-19 for approximately a year. The Bank indicated that they are now ready to move forward.

Councilmembers voiced continued support of this development agreement with no additional action required.

**2. CDBG Housing – COVID Funding (Round #2)**

Ms. Gordon presented a distribution plan for another round of CDBG funding that has been awarded to the City. The City was previously awarded \$192,295.00 which largely was used towards homeless prevention, with small percentages used to recover administrative expenses and purchase a refrigerator/freezer for use at the Human Services food pantry.

At this time the City has been awarded a second round of funds totaling \$335,609.00. Staff is proposing that these funds also used for administration and homeless prevention. Again, a small percentage will be retained to cover administrative costs. As with the first round, the homeless prevention funds are issued on a first come first serve basis with a \$5,000 total maximum over 3 months. Ms. Gordon mentioned that the entire first round has been expended.

Councilmembers support the funding plan as proposed and the item will be placed on a future Council Agenda.

**3. Review FY 2020 Comprehensive Annual Financial Report**

The City's FY 2020 Comprehensive Annual Financial Report was received by the City Council on February 1, 2021, where it was referred to the Finance Committee for further discussion. Ms. Montgomery presented highlights of the report, including audit opinions by the City's new audit firm, BKD, LLC of West Des Moines.

Ms. Montgomery noted that for the 2<sup>nd</sup> year in a row, the City has ended the year with over \$1 Billion in assets and \$289 million dollars in total liabilities.

The auditor's report indicated 3 findings that were classified as material, all of which were related to grant compliance. The errors that were noted were as follows:

- The City included two state expenditures in error on the Schedule of Federal Awards (SEFA). Each of the underlying projects related to a prior year.
- The City's fixed asset listing does not contain information identifying those assets that have been funded with federal dollars. This is needed in the event assets are disposed of prior to the end of their useful life.
- The City could not provide documentation that it has checked the SAM.GOV website for certification of vendors noting that none were suspended or disbarred.

The City has met internally to establish a plan to move forward to address the findings. Mr. Stiles mentioned that the Finance department has already begun the process of adding an additional staff member with job duties including grant work and this should greatly assist in these areas.

The committee agreed with the findings and corrective action plan. They complimented staff on the ending report and no additional action was required.

#### **4. Update to City Procurement Policy**

Mr. Stiles presented an update to the City Procurement Policy. The City does not currently have a section specifically related to Federal Funds. The City is generally complying with these standards but to clarify the policy, a new Appendix is proposed which would segregate all the Federal requirements into one specific area of the policy. This was a recommendation of the Federal specialists assisting the city with COVID and FEMA grants over recent months. The proposed amendment will bring the city policy into full compliance.

Councilmembers supported the policy amendment and recommended placing on a future Council Agenda.

#### **5. Real Estate Tax Reimbursement Agreement w/ Hurd Parkway LLC**

Mr. Stiles presented an issue that arose between the Dallas County Assessor and Hurd Parkway LLC. The Assessor did not correctly apply the minimum assessment agreement on the Hurd Parcels in the Coachlight Urban Renewal Area next to IMT. Per the terms of a minimum assessment involving the City, Hurd, and IMT, a \$7.5 million minimum assessment should have been applied to the Hurd parcels effective January 1, 2019, but it was never applied. This information was discovered and remedied but after the correction, Hurd received a bill for additional taxes. Hurd has now requested assistance.

Mr. Stiles said staff was asked for methods of possible assistance, and suggested that the City could assist by having Hurd pay the taxes at this time, and would be granted a loan through the Economic Development fund with payback being due after development occurs. Hurd has agreed in concept and proposed a 10-year maximum term. Mr. Scieszinski commented that five-to-eight years may seem more reasonable. Councilmembers understood that the underlying issue is with the Dallas County assessor and the City is not obligated to lend assistance.

Councilmembers voiced support for offering Hurd a 5-year loan with 1% interest and naming Hurd Real Estate as a responsible party to repay the loan, in addition to Hurd Parkways LLC. However, days after the meeting, due to follow up issues and discussion a decision was made not to pursue an agreement for assistance. Thus no further action was required.

## 6. City Manager Performance Review Process and Timeline

Ms. Dodge presented a Performance Review Process and Timeline for City Manager Hadden. She asked for feedback regarding on how Councilmembers would like to meet with Mr. Hadden and conduct the formal review process.

Mr. Trimble stated that he wants to make sure every Council Member is involved. He would like to continue the practice of holding the review meeting with the Mayor, Councilmember Hudson, and himself followed by a separate group of two Councilmembers meeting with Mr. Hadden, and the last Councilmember would meet one-on-one. After all feedback is complete, Councilmember Trimble would like an executive session to complete the recommendation and review.

Councilmembers were supportive of the timeline and process.

## 7. Final Review of FY 2022 Hotel/Motel Tax Grant Funding Applications

Discussions with applicant organizations were held at the preview three meetings of this committee. After review of all information, the Councilmembers are recommending the following Hotel/Motel allocations:

<b><u>Organization</u></b>	<b><u>Amount</u></b>
Ballet Des Moines	\$ 4,500
Central Iowa Shelter Services	25,000
Eddie Davis Community Center	3,750
Historic Valley Junction Foundation	100,000
Iowa Senior Games	3,000
Junior Achievement of Central Iowa	1,250
Make-A-Wish Foundation	-
Tallgrass Theatre Company	2,500
Tiger Softball	2,000
WDM Chamber of Commerce	95,000
WDM Girls Softball Association	22,500
WDM Soccer Club	<u>20,000</u>
<b>Total</b>	<b>\$279,500</b>

The Councilmembers recommended that this FY 2022 Hotel/Motel Tax allocation be incorporated into the City's overall FY 2022 Operating Budget, which will be presented during a future City Council meeting. It was noted that any funding for the Central Iowa Water Trails would likely also need to be factored into FY 2022, if that agreement was ultimately put in place.

## 8. Staff Updates

- Mr. Evans mentioned that staff is working to set a consultation and public hearing date for the Grand Prairie Pkwy Urban Renewal Plan to support Microsoft Ginger West Project. This will also require amendment #11 to the Mills Civic Pkwy Urban Renewal Area.
- Mr. Evans stated that at the next Planning and Zoning sub-committee meeting he will be bringing an annexation agreement for Waukee & Van Meter (2 separate agreements).
- Mr. Stiles stated the City would likely be awarded additional COVID relief funds through the

IDOT Road Use Tax. The intention is to allocate a portion back to cities who use road use tax. The City's portion is \$605,000 which staff will recommend be used to offset reduced revenue which has placed the fund in a negative position currently.

**9. Other Items**

None

Meeting was adjourned at 9:03 AM.

Respectfully Submitted,

*Katie Johnson*

Katie Johnson  
Recording Secretary