



MEETING MINUTES
FINANCE & ADMINISTRATION SUB-COMMITTEE
Wednesday, April 7, 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, Accounting Associate Jenny Buffington, Community and Economic Director Clyde Evans, Housing Planner Christine Gordon, City Attorney Dick Scieszinski, Assistant City Attorney Greta Truman, Human Resources Director Jane Dodge, City Engineer Brian Hemesath, Communications Specialist Lucinda Stephenson, and Secretary Katie Johnson

Meeting was called to order at 7:00 AM

1. Line of Credit Agreement – West Bank

Mr. Stiles presented a proposed line of credit (Bond Anticipation Note) from West Bank. The line of credit would be used to cover any gaps created by a slow in bond sales and issuance. West Bank has offered up to \$29,000,000 funding for the construction of the fiber conduit infrastructure with a variable interest rate of 0.50% below prime (currently 2.75%) and a term of three years. The City would like to approve this financing under the existing borrowing authority approved in 2020.

Councilmember Trimble expressed concerns about additional cost. Mr. Stiles stated that there would be some difference in interest cost (versus selling taxable bonds), but the rate offered by the bank was reasonable.

Councilmembers supported the agreement. It will be presented to Council for approval at a future meeting.

2. Parental Leave Policy

Ms. Letzring presented a proposed parental leave policy. The City has not previously had a parental leave policy but has defaulted to unpaid FMLA. The City has allowed employees to use their earned sick and vacation time as a stop gap measure. Several employees have asked for the policy to be re-evaluated. The lack of this benefit has affected employment as other local governments have implemented similar policies.

The new policy would allow up to four weeks of paid leave for the birth of a child for either parent including adoption or foster to adopt per year following the employee probationary period. Ms. Letzring noted that the City currently sees 5-7 instances of FMLA used per year for the birth of a child.

Councilmembers supported implementing the parental leave policy and placing it on a future Council agenda.

3. Community Development Block Grant (CDBG) Funds to Promote the Federal Emergency Broadband Benefit Program

Ms. Letzring stated that the City has received some CDBG COVID dollars over the last year. In February the FCC voted to approve a program called “Emergency Broadband Program”. There is approximately \$3 million dollars nationwide to allow people who are income qualified to sign-up and receive up to \$50 towards their broadband monthly bill. It can be difficult for individuals to become aware of the program

and even more difficult to navigate the process. Staff would like to use the special allocation of CDBG dollars to create a platform to assist individuals in accessing those federal dollars.

CGM is a firm which comes recommended as a contractor who would create the platform. Staff has met with this company. Initial cost would be \$55,000 to create the website. Then the City would be responsible for a monthly maintenance fee of approximately \$5,000-\$6,000 for a 3-year contract. Ms. Gordon explained that these costs represent 50% of the total, as the City would like to partner with the City of Dubuque on the project.

Councilman Trimble questioned how much of the City CDBG funds would be used. Ms. Gordon stated that it would use approximately half of the funds which is equal to \$250,000 - \$260,000. Councilmember Trimble expressed concerns of not receiving enough return on the investment. Ms. Gordon gave a rough estimate that there are approximately 6,000 households in West Des Moines that are below 80% median income. If half of those houses received assistance it would be over \$5 million dollars.

Councilmembers are supportive of using these funds to create a platform and for staff to further working on this concept. This idea will be brought back to a future Finance & Administration meeting after being refined and following a meeting with IEDA.

4. Federal American Rescue Plan Act of 2021 – Application of Funding

Mr. Stiles stated that the City will be receiving \$8.15 million from the Federal American Rescue Plan Act. The money was provided based off a formula that includes income and population among other things. This money can only be used to bolster economic recovery through direct assistance, provide premium pay for essential workers, offset revenue losses, or invest in infrastructure. It can not be used to directly cut taxes.

Staff would like to replenish LOSST fund. More than 50% of that fund was used to stabilize the tax levy. Staff would also like to help offset the increased cost of the RecPlex and lost revenue from the delayed opening. Staff considered offering extra to the applicants from the Hotel/Motel revenue or offering another round. Another option would be to assist with broadband construction or other infrastructure. Mr. Stiles indicated that the rules on spending and reporting are “yet to come” so we should probably be patient at this time.

Councilmembers support the allocation of funding as proposed but also reserved the right for future discussion as the rules and polices surrounding the grant become available.

5. Potential Federal Community Grant Projects

Mr. Stiles stated that there is move in Congress to bring back earmarks for projects. Congresswoman Axne put out a detailed request asking for projects in the district. Earmark grants would likely be capped around \$1 million per project. The City would like to submit the following projects for consideration:

- The Bridges of Iowa facility at 12th & Vine. Staff would request funds to complete stormwater detention facility. Approximate total project cost \$2 million.
- Mills Pkwy west of 88th to Grand Prairie Pkwy. The street is deteriorating with no significant source of funding. Approximate total project cost \$9 million.
- Pedestrian bridge at Raccoon River Park over the river. Approximate total project cost \$6 million.

Councilmembers are supportive of submitting these projects to Congresswoman Axne. Subsequent follow up with the Congresswoman’s office indicated their preference for only one project to be submitted, and their office suggested the pedestrian bridge was most likely to be seen positively.

6. Engagement to Review Human Services Internal Controls – BKD, LLC

Mr. Stiles stated that the City will be using its existing audit firm of BKD to assess the internal controls and accounting processes within the Human Services Department. BKD will write a report with recommendations or best practices to be adopted. They will also be compiling financial statements and reviewing the operations of the Friends of WDM Human Services Foundation. The City will pay for the internal control review and the Foundation will pay for the compilation of financials, with each side responsible for roughly \$5,000 - \$10,000. Reports will be presented back to this committee when complete.

Councilmembers are supportive of the engagement review. Councilman Hudson left the meeting following this discussion.

7. Vendor Payment & P-Card Process Improvement

Mr. Stiles stated that Commerce Bank has handled vendor payments and P-Cards for the City since 2004. Staff would like to put out a Request for Proposals (RFP) for this summer. The City currently gets a rebate to use Commerce for certain vendor payments. Staff doesn't feel this program serves the best interest of the vendor and is awkward to administrate. Staff feels perhaps it would be best to step away from this rebate process, understanding it would be difficult to walk away from a program which has generated revenue each year.

Councilman Trimble supported the RFP for p-card services but was hesitant to abandon the vendor payment program unless a suitable revenue replacement source was identified.

8. Staff Updates

None

9. Other Items

None

Meeting was adjourned at 8:34 AM.

Respectfully Submitted,

Katie Johnson

Katie Johnson
Recording Secretary