



MEETING MINUTES
FINANCE & ADMINISTRATION SUB-COMMITTEE
Wednesday, March 9, 2022 - 7:00 AM
City Hall Training Room

Present: Councilmember Greg Hudson, Councilmember Doug Loots, City Manager Tom Hadden, Deputy City Manager Jamie Letzring, Finance Director Tim Stiles, Budget Analyst Chris Hamlett, Community and Economic Director Clyde Evans, City Human Resources Director Jane Dodge, Parks & Recreation Director Sally Ortgies, Recreation Superintendent Ryan Penning, City Engineer Brian Hemesath, Water Works General Manager Christina Murphy, and Secretary Katie Johnson

Meeting was called to order at 7:00 AM

1. Water Works Financing Agreement – Ginger East and West Developments

Mr. Stiles presented a draft financing agreement with Water Works. The agreement calls for the city to front the cost and install water lines as part of the Ginger East and Ginger West infrastructure projects. When completed, the water mains and other water-related assets will be turned over to WDM Water Works ownership. They would be responsible for operation and maintenance. The Water Works will collect revenue from the fee district and the city will be reimbursed.

Ms. Murphy stated that the agreement will also state that future data centers are contingent on a concerted effort by the developer(s) to reduce peak demand water usage from that which is currently needed by Ginger East and West. She stated that they have made improvements, but another data center could create potential water shortage.

Mr. Stiles mentioned that the city is selling bonds to pay for the infrastructure. The bonds are backed by tax revenues from the Data Center. It will take some time before there is enough development to pay back the fees to cover the mains. Interest is covered by Microsoft taxes. If reimbursed ahead of schedule, the city can prepay the bonds.

Councilmembers support approval of the agreement and placing on a future Council agenda. The agreement will also be presented to the Water Works Board for approval.

2. Redemption of General Obligation Bonds – Series 2013A and Series 2014A

Mr. Stiles stated that the City has extra money in the Debt Service Fund due to getting great rates, refinancing bonds, and not having spent proceeds as quickly as expected. There is approximately \$3.2 million in pre-levy funds unused. PFM suggested redeeming the 2013A bonds and 2014A bonds early to save approximately \$186,000 in future interest.

Councilmembers support the redemption of General Obligation Bonds – Series 2013A and Series 2014A. This will be placed on the April 6 Council Agenda for review and approval of the next steps to redeem the bonds.

3. Funding of Valley Junction Historic Building Survey

Mr. Evans discussed funding of the Valley Junction Historic Building Survey. Council had suggested to

contact Jim Jacobsen, who had done the original historic survey of buildings in the Main Street area. Staff and Councilmember Trevillyan met with Mr. Jacobson, and he was willing to re-engage in the project. The adjustments are to focus on historic structures and determine if others have value beyond the metrics of the National Register of Historic Buildings. The cost would be \$9,600.00.

Councilmembers supported engaging Mr. Jacobson for the scope and cost identified.

4. Economic Development Incentives for Valley Junction Historic Business District

Mr. Evans presented economic development incentives for the Valley Junction Historic Business district. It was discussed at the most recent committee meeting that staff has proposed amendments to the Regulatory Compliance Fund and the Property Improvement fund that are already in place. These programs can adequately address some of the issues and could be further assisted by increasing the amount potentially received from \$75,000 to \$100,000.

Mr. Evans also mentioned that neither program is currently funded. The city had originally budgeted \$1.45 million in FY 22-23 for the city match on Historic Valley Junction Housing Programs but those funds could be spread out over the next 3 fiscal years. Staff is recommending using \$800,000 from the housing program to fund the Regulatory Compliance Program and Property Improvement Program. Staff has been approached by 4 property owners about using this program. Of that \$800,000, 10% would be given to the Historic Valley Junction Foundation to provide signage for businesses.

Councilmember Hudson questioned if there were any potential areas that could upset residents. Mr. Evans stated that most residents support using funds this way. Councilmember Hudson inquired as to whether the program would be funded each year. Mr. Stiles stated that it would be a year-to-year basis and that staff would budget according to the recommendations of Council.

Councilmembers support the staff recommendations to reallocate budget funds and placing on a future Council Agenda.

5. Potential Funding of Blue Creek Stormwater Project

Mr. Stiles discussed the potential funding of Blue Creek Stormwater Project. The Creek currently has issues with erosion and poorly holding water. The solution would be to create 5 different basins for retention and detention to hold the water. It will help both the downstream and upstream. 4 of the main basins have a probable cost of \$5.4 million. The DOT has been engaged and supports the project; this was necessary because the project is located in the DOT right-of-way just north of I-235 and east of Valley West Drive. The DOT would bid and construct the project with reimbursement by the city because of that fact.

Mr. Hadden stated that this is a good solution as this area has a lot of challenges. This area was built in the 70's before there were stormwater requirements. Mr. Hemesath said that this will also help the DOT with the potential damage to the backslope of I-235. Staff is recommending either financing using the State Revolving fund at 2% interest through the life of the loan or there could be a 3 year repayment restructure at 0% interest through the DOT.

Councilmembers were supportive of using the State Revolving fund and placing a future council agenda.

6. Potential Funding of Valley View Park Diving Platform Project

Mr. Stiles noted that a 3-meter diving platform was contemplated several years ago. It was budgeted for completion in FY 2021 but was stopped by Council due to funding concerns surrounding COVID.

Ms. Ortgies stated that this past summer had near record attendance at Valley View and something new is needed to retain and attract visitors. The construction would take place this fall along with the tugboat slide.

Councilmember Loots inquired to whether this would require digging up the basin. Ms. Ortgies stated that it would not require the basin to be removed but some of the pool deck and relocating the 1-meter diving board.

Councilmembers are supportive of the funding and placing on a future Council Agenda.

7. Review of Professional Services Contracts

Mr. Stiles presented a list of professional services contracts administered by the Finance Department. There are 11 significant use contracts. The list also included discussion of how the services were historically procured. He noted that Finance staff is currently working on a Request for Proposals for employee P-Cards and automatic payment systems for bills. The City has been using Commerce Bank for these services since 2004. This item was for information only, no action was required.

8. Staff Updates

- Mr. Stiles noted that the city has a policy for a flower fund with an accompanying policy to send flowers for the death of an immediate family member. Several years ago, another separate fund was created by contributions from directors and elected officials to provide flowers for non-immediate family members or for other situations. These funds are collected separate from City funds and are disbursed at the discretion of the City Manager.
- Mr. Evans stated that a manufacturing warehouse importer operation of 51,000 sq. ft. building reached out. This building would be a \$7 million investment with 30 jobs and 11 of them being High Quality. Mr. Evans is working with them on identifying locations. There is infrastructure planned South of Raccoon River that could potentially be used for the local match. Otherwise, the City would be required to do a 5-year sliding scale property tax rebate.
- Ms. Dodge stated that she was to submit the comparable salary survey regarding the City Manager. She is still reaching out to several cities to get data. She is also waiting for info from one councilmember but will move it along without that input. Ms. Dodge will send out on Monday.

9. Other Items

None

Meeting was adjourned at 8:24 AM.

Respectfully Submitted,

Katie Johnson

Katie Johnson
Recording Secretary