

**MEETING MINUTES**

**FINANCE & ADMINISTRATION SUB-COMMITTEE**

**Wednesday, May 3rd, 2023 – 7:00 AM**

**Location – City Hall, Training Room, Second Floor**

Present: Councilmember Greg Hudson (Chair), Councilmember Doug Loots, City Manager Tom Hadden, Deputy City Manager Jamie Letzring\*, Finance Director Tim Stiles, Community & Economics Director Clyde Evans, City Engineer Brian Hemesath, Senior Budget Analyst Chris Hamlett, Accounting Manager Lesley Montgomery\*, Accounting Associate Jenny Buffington\*, Human Resources Director Todd Sadler, City Attorney Richard Scieszinski, Communications Specialist Lucinda Stephenson\*, Administrative Secretary Jennie Rohe

\* = Via Microsoft Teams

Meeting was called to order at 7:00 AM

1. **Non-Union Employee Pay Adjustments for FY 24**

Director Sadler and City Manager Hadden presented a recommendation for a 4% increase to the pool of funds available for salary expense across all non-union employees and all departments as was included in the FY 23-24 budget. Like prior years, discretion will be given to the manager for performance issues with the maximum increase to any employee being recommended at 5.5%.

Councilmember Hudson noted that no budget amendment is necessary. This is applicable to all non-union employees; union agreements are all locked until the end of FY 26.

Councilmembers supported the item which will be on a future Council agenda for approval.

1. **Employee Early Retirement Incentive Program**

Director Sadler is recommending an early retirement program called “City of West Des Moines Voluntary Separation Incentive Program 2023.” Eligibility is for employees 55 years and older and having at least 5 years with the city. There are 80 employees that would qualify. Under the proposal, August 4th would be the deadline for someone to take advantage of the program. They would need to terminate employment within 60 days (mutually agreeable). For every year of service, the employee would receive one month of insurance, up to 12 months post-employment, paid by the City.

Councilmember Loots asked what would happen if all 80 took the deal. City Manager Hadden did not think that was a realistic scenario, staff has estimated that up to 40% of the 80 individuals may take the deal based on other agencies providing similar packages in the past.

Director Sadler does not anticipate issues refilling. Director Hemesath expressed that his department, which has 5 individuals who would qualify, would be afforded with an opportunity to do some restructuring.

Councilmember Loots would like to encourage HR to poll eligible people anonymously to get an estimate of the number of people that will potentially take the deal prior to taking this to council.

Deputy City Manager Letzring noted that many of these individuals that qualify are not at the age of 62 and would not want to pay for COBRA for several years and therefore they do not anticipate those individuals to take the deal. Councilmember Hudson points out that the incentive is not enormous and that we are currently only offering this as a one-time deal.

Councilmembers supported the item which will be on a future Council agenda for approval.

1. **Schedule for City Manager Evaluation**

Director Sadler is recommending the schedule for City Manager Tom Hadden’s evaluation. Following today’s meeting he would get the councilmembers their pieces and bring to Exec Session June 3rd and the approval would go to city council on June 19th. Councilmember Hudson suggested that Todd Sadler reach out to Renae Hardman for any additional recommendations.

City Manager Hadden requested that the process be extended so that Councilmembers receive his self-appraisal before they submit comments. Sadler will move the dates around to accommodate this. Tentative timeline will include a self-evaluation by May 13th and then review by Councilmembers following. This will shift final approval to July.

Councilmembers supported the item which will be on a future Council agenda for approval.

1. **Staff Updates**

Director Stiles spoke of legislation affecting property tax in the future years beyond FY 24. There will be a mandatory tax rate reduction for certain levies depending on growth. City will lose the ability to choose its levy rate in these areas, including the $8.10 general fund levy. Other items in the legislation include a change to have budgets due April 30 each year rather than March 31. There are also raised caps on ECP General Obligation Bonds of $1.2M (up from $700K). Expect a future complete analysis of the new bill.

Stiles reported that he and Chief Leu have been working with Clive on a new Fire Service agreement. West Des Moines Station 22 would serve on an as needed (on call) basis into Clive. Difference between the last agreement is that this is more of an on-call verses a partnership with Clive. It is anticipated that this will be brought on the Council Meeting of May 15th for approval to be effective July 1st when the current agreement expires. Director Stiles anticipates this to bring in $500K-600K. Station 22 has been completely paid for by West Des Moines and we now own the building.

Director Stiles noted that the Compensation Study RFP selection process is down to three finalist firms which will be interviewed Friday May 5.

Director Sadler mentioned that an RFP process to outsource recordkeeping for Family Medical Leave Act time of employees is also nearing completion.

Director Evans reminded the Committee that R&R had requested a property tax rebate to help facilitate a tenant into the vacant Palisades Building. The lease has now been signed and Co-Op Financial is going to be occupying the space. They will be moving 350-450 people from Clive. Moving in mid-October 2023. They will be remodeling and occupying 100,000 square feet of 160,000 square feet.

Director Evans noted that the Fox Creek Neighborhood Association has asked for an annexation proposal. The taxes will increase 23-25%.but there are several benefits including enhanced services, as well as access to City water and conduit network. Typically the City has offered a 5-year sliding scale abatement and will offer that in the proposal. Fox Creek Benefited Water District needs to allow Napa Valley to leave. Napa Valley is considering several options including filing a lawsuit against the Fox Creek Water District to get West Des Moines Water.

Director Evans noted that Jordan Ridge Development Agreement on Construction of Stagecoach Drive, Development Agreement will be in front of Council on Monday May 8th. He is meeting with Highpoint who are the development to the West – Stagecoach from 81st to 85th Street. There is a current agreement with Jordan Ridge for reimbursement of Stagecoach Drive costs from 78th to 81st Street. Highpoint would like to mirror that agreement for their portion of the street. This agreement has been an expectation for the Stagecoach Builders. Doing this method mitigates the financial risk for the city and puts the burden on them.

Director Evans has discussed with Josh Janeczko selling the city his property for $2,000,000. Clyde is working to identify alternative properties. He has withdrawn his application for Comp Plan and Re-Zoning. He has not withdrawn his application for High Quality Jobs with Polk County.

Director Evans identified a potential for $400,000 to use towards the purchase understanding that we would need to do an Environmental Review and that 4 acres would need to be designated as affordable housing. This was rejected by the council.

1. **Other - None**

Meeting was adjourned at 8:00AM

A recording was made of the meeting.

Jennie Rohe

Jennie Rohe, Administrative Secretary