



**MEETING MINUTES**  
**FINANCE & ADMINISTRATION SUB-COMMITTEE**  
**Wednesday, May 8, 2024 – 7:00 AM**  
**Location – City Hall, Training Room, Second Floor**

Present: Councilmember Greg Hudson, Councilmember Doug Loots, Finance Director Tim Stiles, Executive Assistant Kaitlyn Royer, City Manager Tom Hadden, Deputy City Manager Jamie Letzring, Community & Economics Director Ryan Moffatt, Parks and Recreation Director Ryan Penning, , Accounting Associate Jenny Buffington\*, Accounting Associate Sally Downing\*, Accounting Manager Lesley Montgomery, Senior Budget Analyst Chris Hamlett, Deputy City Attorney Jessica Grove, Principal Engineer Ben McAlister\*

\*= Via Microsoft Teams

Guests:

Meeting was called to order at 7:00 AM.

**1. Meeting Minutes from April 17, 2024**

The councilmembers had no corrections and received the meeting minutes from April 17, 2024.

**2. Guide for Preparing and Submitting Unsolicited Proposals – Jamie Letzring**

Deputy City Manager Jamie Letzring presented a Guide for Preparing and Submitting Unsolicited Proposals.

- This purpose of this guide is to help people coming to the City trying to submit a proposal. Unsolicited refers to the proposed item being a unique idea that is being offered to the city without solicitation from the staff or an elected official. Staff will assist/provide direction if someone is struggling with the document.
- This guide asks a proposer bringing an idea to provide a business plan along with their idea. The thought is that if a project is viable, it can stand up to the scrutiny of the guide and the internal review.
- Ms. Letzring mentioned on the first page of the guide it mentions the policy may apply to economic development ventures which utilize tax incentives, but it won't always apply. Economic development projects wouldn't necessarily be required to go through this process as this happens with the vetting of Community Development and incentives. Projects that developers bring to CED would not need to go through the process. There is an economic policy separate from this guide.
- This guide isn't specifically for building something in the City, it can also be used for a new program or adding to a current program.

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- The guide can be used at the City Manager’s discretion but is likely for a situation when the city could be expensing significant staff time and resources. It was also noted that this policy and practice will help comply with the public solicitation process.

The Councilmembers were supportive of the guide for preparing and submitting unsolicited proposals and it will be placed on a future City Council agenda for review and consideration.

### **3. Update to Audit Services Policy – Tim Stiles & Lesley Montgomery**

Finance Director Tim Stiles presented an update regarding the City’s Audit Services Policy. The policy has existed since the nineties and needed updating. The changes on the policy are:

- In the purpose statement, Mr. Stiles and Ms. Montgomery wanted to define the audit services. This now provides definition of the three separate audits:
  1. Audit of the City’s Financial Statements
  2. Audit of Westcom Dispatch Center
  3. Single Audit (Compliance with Federal Awards)
- A General-Purpose section was added to define the reasons for the three audits.
- (3.1) Making sure this complies with procurement policies that will do Requests for Proposals to procure audit services.
- (3.2) The city would like to have one independent audit firm do all three audits.
- (3.3) The City Council subcommittee on Finance & Administration will review RFP criteria before the City performs RFP for audit services.
- (3.5) This section was adjusted to provide for a five-year contract with the successful proposer.
- (3.6) This section contemplates a two-year extension if there are extenuating circumstances preventing an RFP process at the end of the five-year contract, with Council approval.

The councilmembers were supportive of the updates to the audit services policy. This policy falls into the administrative realm, so City Manager can approve and implement the updated policy.

### **4. Non- Union Employee Compensation Adjustments FY 2024-25 – Tim Stiles & Lesley Montgomery**

Finance Director Tim Stiles presented on the Non-Union Employee Compensation Adjustments for the FY 2024-25. Mr. Stiles mentioned the recommendations were the same as last year. There are three items going to council for approval:

1. Each position has a pay range for each position and staff recommends moving the ranges up 3% due to cost of living and comparisons to existing union agreements.
2. In the budget that was approved at the April 15 council meeting, there was an increase in the pool of wages to 4%. This is in the budget, but Mr. Stiles is wanting to confirm this is available to hand out in terms of non-union employee compensation adjustments.

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3. Non- 411 Unions have a component of their compensation based on performance. These unions have agreements that have roughly 3.25 % increase. Mr. Stiles mentioned they are suggesting the directors can give another 0.75% increase to get the employees to a 4% increase.

Councilmember, Doug Loots asked how the city is keeping up with what other cities are doing? Are we doing enough to keep our employees if they are capping out in their salaries? Mr. Stiles mentioned that the range moves are intended to maintain pace. He also mentioned that a compensation study, when completed will assist in answering this question.

Deputy City Attorney Ms. Grove brought up that there are other ways to compete besides salaries, such as benefits, IPERS, vacation time, etc.

The councilmembers were supportive of the non-union employee compensation adjustments for FY 2024-25, and it will be placed on the May 20 Council agenda for review and consideration.

## **5. City Manager and City Attorney Performance Appraisal Process and Timeline – Tim Stiles & Lesley Montgomery**

Accounting Manager Lesley Montgomery brought forward City Manager and City Attorney Performance Appraisal Process and Timelines.

The schedule for the performance appraisal timeline is going to be more flexible with the city manager possibly making changes as needed. The city attorney performance timeline will stay on track so a contract can be issued.

Ms. Montgomery added that with the city attorney position, this will be the first time the evaluation will be completed by the city council versus the city manager.

Mr. Loots mentioned they will push the fellow council members to get after the performance appraisals and they will determine a hard date to have these finished by.

The Councilmembers were supportive of the city manager and city attorney performance appraisal process and timeline, and it will be placed on a future Council agenda for review and consideration as appropriate.

## **6. Microsoft Ruthenium Data Center Development Agreement – Ryan Moffatt**

Community & Economics Director Ryan Moffatt presented on the Microsoft Ruthenium Data Center Development Agreement.

Mr. Moffatt gave some background on the project. In 2023, staff was approached by representatives from The Microsoft Corporation regarding a new data center that would mark the 6<sup>th</sup> new data center facility that the company will construct within the City of West Des Moines.

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The building will be in Madison County, in the vicinity of Veteran's Parkway at Woodland Avenue, very close in proximity to the existing Osmium Data Center.

The first building is 245,000 square feet with a guarantee of a minimum of 25 full-time employees. There are some public improvements that are being proposed around this facility such as Veterans Parkway and gravel streets that need to be reconstructed as well as some sewer work.

The construction schedule is they are looking to do site work and build the substation in 2025. The building will go vertical in 2026 with completion in 2028.

The Councilmembers were supportive of the Microsoft Ruthenium data center development agreement, and it will be placed on the May 20 Council agenda for review and consideration.

## **7. Staff Updates**

Deputy City Attorney Ms. Grove mentioned Mr. Richard Hurd of Hurd Enterprises signed an agreement and this will be going to the May 20 Council Meeting. She mentioned that four or five public hearings will have to be redone to dispose of the City's Property because the original public hearings contemplated that the city would compensate Mr. Hurd's company paying for the property.

Finance Director Stiles had a few items to mention:

1. City is going through the insurance renewal processes this time of year with a focus in two areas.
  - a. Employee insurance (health, dental, vision). The good news is that health insurance will only have a 3% increase in premiums. There will be no changes on the dental or vision premiums. We are changing one provider (in terms of prescriptions) to Vivid Clear who is wholly owned by Hy-Vee. They offer a discounted co-pay to fill prescriptions at Hy-Vee.
  - b. Senior Budget Analyst Chris Hamlett has been working to renew City casualty, property, and liability coverages. Holmes Murphy is our agent and they have shopped around but for many coverages, ICAP is the lowest cost solution.
2. PFM is completing an update of the sewer and stormwater enterprise fund cash flow projections for the next 5-10 years. When they are complete, Susanne Gerlach from PFM will likely come to a committee meeting to review and provide recommendations for future rates and fund needs.

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## 8. Other Matters

None

Meeting was adjourned at 8:01 AM.

Respectfully Submitted,

*Kaitlyn Royer*

Kaitlyn Royer  
Recording Secretary

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