



**MEETING MINUTES**  
**FINANCE & ADMINISTRATION SUB-COMMITTEE**  
**Wednesday, July 17, 2024 – 7:00 AM**  
**Location – City Hall, Training Room, Second Floor**

Present: Councilmember Greg Hudson, Executive Assistant Kaitlyn Royer, Finance Director Tim Stiles, City Manager Tom Hadden, Deputy City Manager Jamie Letzring, Parks and Recreation Director Ryan Penning, Accounting Associate Jenny Buffington\*, Procurement Coordinator Kelvin Unemin\*, City Engineer Brian Hemesath\*, Deputy City Attorney Jessica Grove

\*= Via Microsoft Teams

Guest: Susanne Gerlach, PFM Financial Advisors (Item 3, Item 4)

Meeting was called to order at 7:01 AM.

**1. Welcome / Guest Sign In / Review Minutes from Previous Meeting**

The councilmember had no corrections and received the meeting minutes from June 5, 2024.

**2. Legislative Change to Electronic Meeting Format for Committee Members**

Tim Stiles presented a state legislative change effective July 1, 2024, which updates the format for public meetings. The change specifies that a governmental body shall provide for hybrid meetings, teleconference participation, virtual meetings, remote participation, and other hybrid options. As has been the practice for several years, the F&A meetings continue to be hybrid, meaning a meeting would involve both remote participation and in-person participation. The legislative change is that the Council members now can choose to participate remotely without restriction. Previously, they were only allowed to participate remotely if deemed impractical or impossible to participate remotely.

Stiles noted that staff will still set up the Training Room each meeting to accommodate those attending in-person. If a councilmember is not attending the meeting in person, it will be helpful to email Kaitlyn Royer to let her know they plan to attend online.

The public will be able to continue calling in to participate in the meeting, however unless they are an invited guest to the Teams meeting, they will not be able to see any on-screen video.

This item was offered for information only.

**3. Adjustments to Stormwater Charges**

Tim Stiles and Susanne Gerlach of PFM, the City's Financial Advisory Firm, brought forward an update to the projected finances of the City's Stormwater and Sewer funds (items #3 and #4). PFM has prepared the updates with assistance from City Finance department staff.

The Stormwater Enterprise Fund accounts for the operations of the City's storm water sewer systems including revenue from usage fees, operating costs, capital projects, and debt or bond costs. Stiles noted that the City Council had previously approved a multi-year rate structure that includes rate increases July 1, 2025, and July 1, 2026.

PFM prepared two separate scenarios for the Stormwater Fund with differing assumptions:

Scenario 1-

- No future rate increases beyond those already approved for July 1, 2025, and 2026.
- Debt service coverage is strong.
- Four (3) State Revolving Fund (SRF low interest) loans are being added to the cashflow, specifically to fund some of the larger planned projects.

Scenario 2-

- New \$0.50 rate per ERU (residential unit), per month increases July 1, 2027, 2028, and 2029.
- Debt service coverage is strong.
- Three (3) State Revolving Fund (SRF low interest) loans are being added to the cashflow, specifically to fund some of the larger planned projects.

Gerlach and Stiles provided an explanation of the projections and after discussion, the councilmember was supportive of Scenario 2.

#### **4. Adjustments to Sanitary Sewer Charges**

The Sewer Enterprise Fund accounts for the operations of the City's sewer systems including revenue from usage fees, operating costs, capital projects, any debt or bond costs, and amounts paid each year to the Des Moines Wastewater Reclamation Authority (WRA) for the City's share of their operations and debt service. Stiles noted that there have been no increases in the Sewer rates since 2021.

PFM prepared a scenario for the Sewer Fund which included these assumptions:

- 5.00 % rate increase beginning in October 2024 and for all future years.
- Debt service coverage is beginning to tighten in the projected years in the cashflow.
- With the 5.00% projected rate increases, all planned capital projects can be cash funded.

Gerlach and Stiles provided an explanation of the projection and after discussion, the councilmember was supportive of the proposed rate adjustments. Stiles noted that any rate adjustments require an ordinance change, so staff will prepare the first reading of the new ordinance for the August 5 Council meeting.

## **5. Des Moines Metropolitan Wastewater Reclamation Authority (WRA) Annual Debt Certificate**

Tim Stiles provided a copy of the Des Moines Metropolitan Wastewater Reclamation Authority (WRA) annual debt certificate. Tim wanted the committee to be aware that the City is asked to sign a certificate for the WRA every year. This certificate is our assurance to the WRA that the City can meet the agreement requirements, and it requested annually and each time they issue public debt. The City can meet the requirements stated in the certificate, so Stiles will sign and return. This item was included for information only, no action was requested.

## **6. Staff Updates**

Deputy City Manager Jamie Letzring mentioned that she is distributing a memo to Mayor/CC related to the new requirements of public meetings. CMO is working on enhancing and incorporating video capabilities so residents can watch and listen to the meetings. Jamie also mentioned that the possibility of having the recordings posted to YouTube was considered but thought it would create clutter if all meetings were posted there. Jamie also mentioned the SOP's will need to be updated for administrative staff that support the meetings.

Parks and Recreation Director Ryan Penning spoke about the July 4 events. He mentioned the departments will meet to do a wrap of the Independence Day Parage and fireworks show to see what the expenses were for the events. The two events were very successful. The triathlon event that took place this past weekend was also very successful. Regarding aquatics, attendance is up 14.5% from last year at this time and the gross revenue from concessions is up 150%. They are still working on all the expenses, so this is strictly gross revenue.

## **7. Other Matters**

None

Meeting was adjourned at 8:16 AM.

Respectfully Submitted,

*Kaitlyn Royer*

Kaitlyn Royer  
Recording Secretary