

West Des Moines Human Services Advisory Board

139 6th Street, West Des Moines, IA 50266

October 17, 2023, Minutes

Members Present: Karen Cortez, Dan Crew, Becky Cunningham, Will de Blois, Clarissa D’Souza, Victor Dutchuk, Mike Frandsen, Betsy Happe, DeAnn Howard, Taylor McDonald, Sheila Nelson, Greg Nichols, and Eric Tabor. Bill Solawetz participated by phone.

Members Absent: Council Member Doug Loots and Bill Crane.

West Des Moines Human Services (WDMHS) Staff Present: Althea Holcomb, Director; Pam Redford, Clerk; Melinda Hotovec, Executive Assistant; Kati Ross, Communications Coordinator; Tami Lange, Stephanie Corbett, Whitney Summers, Rosalinda Solis, Program Outreach Assistants; and Larry Stanley, Client Services Maintenance Tech.

WDM City Staff Present: Tom Hadden, City Manager; Jamie Letzring, Deputy City Manager; Tim Stiles, Finance Director; and Chris Hamlett, Senior Budget Analyst.

WDM Human Services Friends Foundation Board Members Present: Dody Christy, Janet Clary-Jones, Kavitha Makayee, and Megan Oman.

Citizen Participation: MJ Hoag, citizen of West Des Moines.

Call to Order: Victor Dutchuk, Chair, called the meeting to order at 5:34. p.m.

Approval of Minutes: Althea noted that the minutes from the September meeting had inaccurate information about the handling of gift cards by WDMHS. Eric will amend the minutes so they can be approved at the November meeting.

HF 718 and Implications for WDMHS. Mr. Hadden and his budget team presented information about HF 718, passed by a nearly unanimous vote in the 2023 legislative session and signed by the Governor. The law goes into effect on July 1, 2024, and will impact the FY2024-2025 budget. They discussed the potential ramifications of the law on WDM revenues and the provision of city services. They also answered questions from the Board and the Friends Foundation Board.

Slides. Mr. Stiles presented a series of slides about HF 718 and the possible effects on the WDM. (A link to the slides will be included in Board packet email sent out before the November 21 meeting.) Mr. Stiles concluded his presentation by saying, “we need to make changes to make the number jive.”

City Manager’s Comments. Mr. Hadden distributed a chart showing the human services provided by cities in the Des Moines Metro area. (A copy of the chart is attached to these minutes.) Mr. Hadden pointed out that only WDM has a human services department providing a full range of

services with a staff of 9.5 FTEs and a budget of \$1,104,071. He said a Request for Proposals (RFP) was being considered to out-source the Food Pantry and Clothing Closet services to a non-profit organization or a church. He said the goal was a “soft landing” for WDMHS employees. He said Althea had been asked to prepare a plan for a transition. He said the building would remain a part of WDMHS, but another entity would provide some of the services. He said WDM residents were, in essence, being doubled taxed because both the county/state and the City of WDM are providing human services. He said the new model would be a hybrid. He said more emphasis would be placed on workforce development and housing. He said legislators think government is too big and they unilaterally issued a mandate – “make city government smaller.” Mr. Hadden concluded by saying WDMHS was a “gem.”

Discussion with City Staff. Mr. Stiles said that cuts are being considered across all city services to generate revenue to balance the budget.

Deann asked whether it still would be called WDMHS. Mr. Hadden said “yes.”

Dody queried – “What does this look like?”

Megan asked whether WDMHS can use county human services resources. Althea said “yes,” but the county has specific, stringent requirements to qualify for services. Althea said WDMHS was “more humane” in providing services.

Victor observed that the proposed changes would mean others would administer the provision of the same services. Mr. Hadden said that was correct. Mr. Stiles said the goal is not to reduce services, but deliver services in a better way

Greg asked what the timeline was for the changes and what the cost savings objective was for the changes. Mr. Hadden said the WDMHS handyman services of mowing lawns and removing snow for low-income elderly and disabled clients was being discontinued immediately. He said the other changes would take effect July 1, 2024.

Eric commented that if WDMHS is a “gem,” the proposed changes would be a good way to ruin the gem. He noted the budget of WDMHS is only \$1 million out of a \$86 million general fund city budget and that the savings from the changes would be negligible. He said WDMHS runs on over 100 volunteers and that many not want to volunteer for a church or non-profit operating the Food Pantry and the Clothing Closet. He stated the success of food rescue depends on building relationships as Larry has done and that changes in who administers the Food Pantry might endanger these relationships. Mr. Hadden repeated his belief that WDM residents are being “double-taxed” for the cost of human services. Eric responded that the proposed plan is to use taxpayer dollars to pay a non-profit organization or church to provide services. Mr. Stiles stated that the purpose of the RFP is to “see what is out there.”

Victor asked whether the Board would be able to review the RFP responses. Mr. Hadden said “yes.”

Janet commented that the Food Pantry and Clothing Closet are core services and that changes should be data driven. Mr. Hadden responded by saying the legislators don't see libraries and parks as core services. He said the ability of cities to govern under home rule continues to disappear. Janet asked whether the Foundation had a role in filling funding gaps. She said the Foundation didn't raise money to fill city budget shortfalls. Mr. Hadden said there was a role for the Foundation to fund services, but there was no expectation that the Foundation would fund staff or people.

Karen asked what the fixed costs were for the WDMHS building. Mr. Stiles responded the non-personnel fixed costs are about \$120,000.

Dan asked about the process to develop a transition plan. Althea said it was in "her court." She said she would recommend a committee of 6-7 members with a mix of staff, Board members, and Foundation Board members. She asked if there was any disagreement with this approach. Victor said it made sense and no Board members expressed objection. Betsy asked about the timeline for the committee's recommendations. Victor suggested the end of January and Mr. Hadden agreed.

MJ Hoag asked if different property tax levies could be tapped to cover shortfalls in the general fund and avoid service cuts. Mr. Stiles said "yes."

Mr. Hadden reflected that this is a "journey" and a team effort. He said "we will see how it turns out." Mr. Stiles said they were making this budget presentation to other city commissions. Mr. Hadden stated that it was a "significant challenge" for WDMHS. Victor commented that it was an opportunity for change and efficiency. Mr. Stiles stated that WDM citizens expect superior services/quality of life amenities and are willing to pay for them. He said the State of Iowa's policy is to cut property tax rates if a city grows.

Discussion with Board and Staff (after City Staff and Foundation Board members left the meeting).

Tammi said it was her understanding that Mr. Hadden had previously expressed to Althea that his goal was to cut the staff of WDMHS in half – a goal not mentioned at the meeting. Althea said this was true. Betsy said it should be a soft landing and staff should be moved to other positions in the city. Victor commented there were "a lot of moving parts." Althea said Larry's position entailed the Food Pantry (which might be out-sourced) and "mow and snow" (which has been discontinued). She said there is an implication Larry would have a job with the city, but there was no guarantee yet.

Victor said the committee working on the transition plan should be in place in a week. Althea said she had spoken to Eric and Dan about serving on the committee. Greg expressed interest in serving on the committee. There was no objection to having these three Board members serving on the committee.

Taylor asked "who will respond to the RFP?"

Victor asked about the costs to operate the Food Pantry. Althea said about \$25,000 plus Larry's salary and benefits. Victor said costs of all services should be allotted. Stephanie said this would be difficult because the staff is cross-trained and assist with several services.

Becky said her family had been in WDM for 30 years and WDMHS makes WDM special. She said WDMHS is something to offer and draws people to WDM.

Victor said it is worth the time to delve into information about potential changes. Sheila said the interests of staff are important, but the needs of the clients are paramount. Victor said the discussion could continue at the next meeting.

Director's Report: Althea presented the Director's report. She noted a typographical error in the report – the number of individual repeaters to the Food Pantry was 61, not 443.

She said the Police Department had their "Pack the Patrol Car" event on October 6. It was a great success and resulted in a significant amount of personal care items.

She said WDMHS continues to be very busy and they were "trying to keep their noses above water."

Victor asked about the new gift card policy. Althea said the city's five-month audit and review of gift card usage was complete. She said a deficiency will be noted in this year's audit because WDMHS did not keep track of gift cards in the city's financial software. She said WDMHS had not been instructed to do so. She said since 2014 gift cards totaling more than \$137,000 had been donated. Of this amount, only \$500 had not been recorded by WDMHS. She said State Auditor Rob Sand recommends that cities should avoid taking gift cards. WDM has adopted a new policy on the use of gift cards – it is attached to these minutes. WDMHS can still accept Fareway Thanksgiving gift cards from Polk County. Gift cards will also be allowed for holiday "Adopt a Family" donations. In general, donors will be asked to not donate gift cards, but, instead, contribute to the Foundation on-line via Click & Pledge or by check. Sheila asked about the use of vouchers from Hy-Vee. Althea said this might happen in the future. The vouchers would specify that they could not be used to purchase alcohol, tobacco, or lottery tickets.

Adopt a Family. Karen discussed the "Adopt a Family" donation opportunity. She said Board Members should bring donated items to the November meeting. She will send an email with details and an electronic sign-up sheet.

Comments for the Good of the Order. Victor said a new business, Culinary Annex, has opened in Valley Junction and wants to work with WDMHS in helping the area.

DeAnn said she was disappointed about the proposed changes announced by Mr. Hadden. Clarissa said she was also disappointed. Mike said it raises a lot of questions. Becky said she was saddened because WDMHS makes WDM special. Eric commented that the process being used was a bad way to treat staff. Dan said it was "tough in the gut." Betsy agreed with these comments. Sheila said it was a "call to action." Taylor expressed support for the committee and said we should "maintain what we have." Greg stated he was also disappointed how the HR process was being handled.

Adjourn. Motion to adjourn was made by Betsy, seconded by Eric. Motion approved by the Board. Meeting adjourned at 7:05 p.m.

Respectfully submitted, Eric Tabor

Yes - City: Reporting City offers this service within a Human Services department or similar capacity
 No: Reporting City does not offer this service
 NP-FBO: This service is offered via a Non Profit or Faith Based Organization within that community
 Don't Know: Reporting City doesn't offer the service or know where its offered

Where do residents in your community go for these services?

Program	Ankeny	Clive	Des Moines	Johnston	Polk Co	Urbandale	Waukee	WDM HS
Food Rescue	NP-FBO	NP- FBO	Don't Know	NP	?	NP	NP-FBO	City
Food Pantry	NP-FBO	NP- FBO	City, NP- FBO	NP	County	NP	NP-FBO	City
Personal Care Pantry	NP-FBO	NP- FBO	NP - FBO	NP	County	NP	Don't Know	City
Clothing Closet	NP-FBO	NP- FBO	NP - FBO	NP	No	NP	NP-FBO	City
Birthday Heroes	Don't Know	Don't Know	Don't Know	Don't Know	No	Don't Know	Don't Know	City
Emergency Financial Assistance	County, NP-FBO	NP- FBO	County, NP - FBO	County	County	County	NP-FBO	City
Housing Assistance	County, NP-FBO	NP- FBO	City, County	County	County	County	NP-FBO	City
Weatherization Kits	County, NP-FBO	NP- FBO	Don't Know	County	County	Don't Know	Don't Know	City
LIHEAP	NP	NP- FBO	NP	County	County	County	City	City
Furnace Repair	NP, FBO, County, City (Metro Home Imp)	NP- FBO	Don't Know	County	County	Don't Know	NP-FBO	City
Fan Distribution	NP	Don't Know	Don't Know	Don't Know	County	Don't Know	Don't Know	City
Utility Bill Negotiation	NP	Yes - City	Don't Know	Don't Know	County	Don't Know	City	City
Gasoline Gift Card	Don't Know	Don't Know	Don't Know	Don't Know	No	FBO	NP-FBO	City
ELL Classes	NP-FBO	NP- FBO	School, NP	Don't Know	No	Don't Know	Don't Know	City
Handyman Services	NP	Don't Know	Don't Know	Don't Know	No	NP	Don't Know	City
Holiday Assistance (gift/food)	NP, FBO, County City (PD toy drive)	NP- FBO	NP - FBO	Don't Know	County (food only)	NP	City - PD or NP-FBO	City
Pool Passes	NP, City	Yes - City	City, County	Don't Know	County	City	City - YMCA	City
Parks and Recreation	NP, City	Yes - City	City, County	Don't Know	County	City	City - YMCA	City
School Supplies	NP-FBO	NP- FBO	NP - FBO	Don't Know	No	NP	NP-FBO	City
Winter Coats	NP-FBO	NP- FBO	School, NP - FBO	Don't Know	No	NP	NP-FBO	City
Free Medical Clinic	NP- County	NP- FBO	County	Don't Know	County	NP	NP-FBO	City
Finance Budget Classes	NP- FBO	Don't Know	NP - FBO	Don't Know	County	Don't Know	NP-FBO	No
Snow removal (elderly)	City, NP	Don't Know	NP - FBO	Don't Know	?	NP	Don't Know	City
Funding/ Budgeted Amount	Building Operations only, County provides the programming	\$8,000-10,000 (1/3 ea from City, Comm Found. and Polk Co for rent)	\$510,270 for staff: Lit Outreach Librarians, Homelessness Policy Coord, Lib. Social Worker	\$25,000 to Johnston Partnership for Healthy Comm (clothes/food pantry)	?	\$155,000 (\$60,000 Comm Action \$60,000 Food Pantry \$35,000 MAC Camp)	\$25,000 to Waukee Area Christian Services	\$1,104,071
Staff	None	None	5.0 FTE	None		None	None	9.5 FTE



THE CITY OF
West Des Moines

Policy Regarding the Use of Gift Cards City Administrative Policy 3-21

Adopted October 2023

Approved for Distribution:

Tom Hadden
Tom Hadden, City Manager

10-11-23
Date

Policy

For the following reasons, the use of gift cards within City operations is not advised unless specific exclusions apply as outlined within this policy. Risks associated with the use of gift cards include:

1. Financial internal controls can be circumvented as the oversight process falls outside established City purchasing policies, procedures, and software system.
2. Internal control processes, recordkeeping, and financial reporting processes are manual and thus are an unproductive use of staff time.
3. Required segregation of duties required are not equitable from a cost/benefit standpoint.
4. Presents an increased opportunity to commit fraud, theft, and abuse, exposing the City to potential liability and damaged reputation. The use of gift cards is a common finding in fraud investigations.
5. Federal IRS regulations classify gift cards as a cash equivalent, making them reportable for 1099 (\$600/year) and W-2 purposes. The associated recordkeeping is burdensome.
6. External auditors including the Iowa State Auditor discourage the use of gift cards.
7. Difficult or impossible to prove public purpose of the recipient's spending.
8. Difficult or impossible to demonstrate the fulfillment of a donor restriction.

When necessary, the use of gift cards must support the mission of the City, must be reasonable, and must be able to sustain the test of public review.

Gift cards may only be purchased with a City-issued PCard.

While the City is to discourage the public from donating gift cards to the City, any such cards received should be safeguarded, documented, and distributed as described within this policy.

Gift cards should not be used to provide non-employees a thank you for volunteering.

Acceptable uses are as a prize for an event, raffle, or a reward for completing a survey. In those cases, individual gift cards may not have a face value greater than \$50.

No more than \$500 worth of gift cards may be purchased without written approval of the City Manager. Multiple purchases of less than \$500 for the same purpose to avoid the required approval are strictly prohibited as outlined within the City's procurement policy.

When purchased or received, cards should be logged. The log should include relevant

details when first received or purchased by the City, including documenting date, donor or purchaser, purpose, and who logged the entry. The log should also include relevant details when disbursing the card, including recipient, date, purpose, and notation of who facilitated the disbursement. Internal controls should be used, including having multiple employees engaged in the process for proper oversight. A sample log is included with this policy.

Except for programs and events authorized by the City Manager, awarding any city-purchased gift cards to employees are prohibited.

Gift cards are not to be given to vendors, consultants, or suppliers.

Gift cards should not be purchased using Federal, State, City or other types of grant or endowment funds unless the terms and conditions of the grant or endowment permits such purchases.

Procedures Associated with Maintaining and Distributing Gift Cards

Gift cards should only be purchased as needed and be always secured (i.e., in a safe, locked cabinet, locked drawer or other secure location) until distributed. Gift cards are to be distributed within thirty (30) days of purchase. This is to prevent the theft or loss of gift cards.

Gift card receipts and issuances must be documented in a log, receipt book, or other means that must uniquely identify each payment that meets standards for audit purposes. Information to be included for each card received and distributed shall include at a minimum: recipient / donor name, date, purpose, type, serial number, and amount of gift card. These completed logs should be submitted to Finance upon conclusion of each gift-giving cycle.

Failure to follow the policies and procedures as stated above and to maintain appropriate supporting documentation can result in the suspension of the privilege to purchase and distribute gift cards. In addition, the employee responsible may be subject to additional disciplinary action including being held responsible for reimbursing the cost of the gift cards by discipline and up to and including termination.

Distribution

This policy will be distributed to all Department Directors and the City Clerk via email.