

**AGENDA
FINANCE & PERSONNEL COMMITTEE
CITY HALL COUNCIL CHAMBERS
MONDAY, MAY 8th, 2023
3:30 PM**

Go to: www.zoom.com
Meeting ID: 978 6396 1227
Call-in only: 312 626-6799, enter meeting number

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF THE AGENDA**
- 4. APPROVAL OF MINUTES OF APRIL 10th, 2023 MEETING**
- 5. PUBLIC PARTICIPATION**
- 6. DISCUSSION REGARDING CREDIT CARD STATEMENT (APRIL, 2023)**
- 7. DISCUSSION REGARDING BANK STATEMENTS (APRIL, 2023)**
- 8. DISCUSSION AND POSSIBLE MOTION TO ADOPT A FUND BALANCE RESERVE POLICY FOR CITY OF MAQUOKETA OPERATING FUNDS**

City Manager Summary: As soon as the City's external financial auditor, Sikich LLP, onboarded the City as a client, their first recommendations were to adopt a purchasing policy and investment policy. These objectives were accomplished. A further goal of Sikich LLP was to have the City adopt a fund balance reserve policy so it gives management and the City Council specific goal setting markers throughout every budget planning process.

Finance Clerk, Andrea White, is well-trained by prior staff that the City's General Fund should/shall have a minimum reserve balance of \$1,000,000 at all times. This is consistent and even exceeds the two-month General Fund expenditure reserve marker accepted by [Government Finance Officers Association \(GFOA\)](#):

Nevertheless, GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.

City Staff is seeking the establishment of a standard on the General Fund and on special operating funds such as the Utility Funds, Airport Fund, and Road Use Tax Fund. The options:

1. Follow GFOA's minimum standard of two months operating expenditure reserve in the previously described funds. As an example, the FY23-24 operating expenditures for the General Fund are predicted to be \$4,339,138. A two month reserve would be \$723,189.
2. Establish a 25% unassigned reserve balance policy. On the same General Fund FY23-24 expenditures, this means the reserve balance would be \$1,084,784.

If the committee establishes either of these options, Staff will present a formal policy to Council. A prospective policy is not restrictive to Council decision authority in budgeting but should be accompanied by an action plan if a specific Fund falls out of compliance with the established reserve balance policy.

9. DISCUSSION AND POSSIBLE MOTION TO RECOMMEND ARCHITECTURAL SERVICES AGREEMENT FOR SUNSHINE DAYCARE PAYABLE OUT OF THE AMERICAN RESCUE PLAN ACT FUND (ARPA) IN THE AMOUNT OF \$8,500 TO FEH DESIGN

City Manager Summary: At the previous Finance & Personnel Committee meeting, the committee discussed and approved a preliminary ARPA spending plan for the remainder of the funds availability. This item is brought to the Committee as a result of the City having an active interest in retaining Maquoketa families, increasing available childcare options, boosting present capacity, and thus increasing the City's chances to move itself forward for consideration when a family relocates. The primary City interest is to increase infant – two year old child care. Sunshine is the City's largest and most significant childcare option. Yet the facility only serves approximately 90 children, but could eventually serve 200-250 dependent on room improvements and staff availability. The intention would be to apply for large scale grants utilizing an architectural plan and visual renderings of the site's potential. This pursuit may or may not be successful. If it is not, worst-case scenario Sunshine receives a facility plan for private fundraising purposes for the next decade or more.

According to US Census Data from 2020, Maquoketa has a relatively young population with more residents under age 5 (7.1%) and 0-14 (20.7%) than Jackson County (5.9% and 18.3%, respectively); the State of Iowa (6.1% and 19.3%, respectively). This shows our City has a greater than normal population trend in children under 5. If we haven't yet realized it, the childcare problem is here and it needs to be addressed by taking steps such as this recommendation.

The full proposed agreement is attached. City Staff has specifically requested, if this is approved by City Council, the design be "phased" so that any potential funding sources (grant or private) are systematically followed.

Committee support is recommended.

10. DISCUSSION AND POSSIBLE MOTION REGARDING SURPLUS PROPERTY SALE PROCEED AND CAPITAL IMPROVEMENT PLAN

City Manager Summary: City Staff is seeking clarity from the Finance and Personnel Committee on their preferred destination of sale proceeds should sales of the Surplus Property Sale become successful. The City approved a Resolution on May 2, 2023 welcoming bids for various items of unused property. Multiple Department Heads have approached management requesting their respective property sales be deposited back into their Capital Improvement Plan balances. The traditional and status quo option is to have all proceeds go back into the General Fund.

Committee direction is requested.