

**AGENDA
FINANCE & PERSONNEL COMMITTEE
CITY HALL COUNCIL CHAMBERS
MONDAY, NOVEMBER 14th, 2022
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 OCTOBER 10th, 2022 MEETING**
- 5. PUBLIC PARTICIPATION**
- 6. DISCUSSION REGARDING CREDIT CARD STATEMENT (OCTOBER, 2022)**
- 7. DISCUSSION REGARDING BANK STATEMENTS (OCTOBER, 2022)**
- 8. DISCUSSION AND POSSIBLE MOTION TO MAKE INVESTMENTS IN 3-MONTH TREASURY BILLS**

City Manager Summary: The Federal Reserve has clamped down on the US Economy by raising interest rates in an effort to slow rising inflation markers. For the City, the tightening of the economy has resulted in significant issues such as reduced gasoline spending and local sales tax revenue. This is a natural product of what the Federal Government has to do to control inflation. We project lower than expected sales and gasoline taxes but one advantage we do have is the opportunity to request better cash rates and investments from Maquoketa State Bank.

Over the last month, Finance Clerk, Andrea White, and I, Joshua Boldt, have communicated with Maquoketa State Bank (MSB) about competing businesses offering very advantageous bank account rates and the need to invest in short-term, safe assets that are compliant with the City's Investment Policy.

On October 31st, representatives from MSB and the City met to discuss the City's preferences for investments and a competitive rate.

The City and MSB settled on an effective rate of 0.25% less than the Iowa Public Agency Investment Trust (IPAIT) on a monthly basis. This would apply to the City's normal account and money-market sweep account. The current rate from IPAIT as of 11/09/22 is 3.24% thus MSB would offer a rate of 2.99%.

Another proposal involved the use of Treasury Bills in the City's investment portfolio. The City's Investment Policy ranks the following priorities in order:

1. Safety of Principal (i.e. Credit Risk, Interest Rate Risk, etc.)
2. Liquidity (i.e. cash availability upon demand)
3. Yield (i.e. rate of return)

MSB offered 3, 6, 9, and 12 month Treasury Bills.

The T-Bill rates as of October 31 were: 3-Month: 3.6%, 6-Month: 4.10%, 9-Month: 3.80%, 12-Month: 4.25%. T-Bills are one of the safest investments available. They would fail if the US Government ceased to exist.

Staff proposes purchasing 3-Month T-Bills in the amount of \$2,000,000 each month in order to cap the City's exposure to T-Bills at \$6,000,000 and the City would be able to closely track the movement of the rising interest rates by purchasing \$2,000,000 monthly. This would keep enough available and unrestricted cash in the City's possession for use on Capital projects.

Overall, this is one of the only ways the City can make up lost revenue from a poor economy. An example chart showing the revenue differences is displayed below. Staff is seeking committee support, a motion, and an affirmative vote to execute this plan.

FY2022-2023 Investment Strategy			
CURRENT			
	Amount	Rate	Yield
Regular Checking	\$ 250,000	1.54%	\$ 253,850
Money Market Sweep	\$ 11,550,000	0.83%	\$ 11,645,865
Total	\$ 11,800,000		\$ 11,899,715
Investment Interest			\$ 99,715
PROPOSED			
Regular Checking	\$ 250,000	2.5%	\$ 256,250
Money Market Sweep	\$ 5,550,000	2.5%	\$ 5,688,750
T-Bill 3-Month Notes	\$ 6,000,000	3.8%	\$ 6,228,000
Total	\$ 11,800,000		\$ 12,173,000
Investment Interest			\$ 373,000
Total Increase			\$ 273,285
T-Bill 3-Month strategy recommends limiting T-Bill exposure to \$6,000,000 in order to keep enough liquid cash in the City's possession for ongoing projects. These would be broken out into 3 different \$2,000,000 increments in order to keep a revolving door on T-Bill notes to dollar cost average the City's yield rate relative to the Federal Reserves increase/decrease in rates. This strategy also allows the City to remain as liquid as possible in the event of an unforeseen emergency.			

Committee support is recommended.

9. DISCUSSION AND POSSIBLE MOTION TO RECOMMEND A RETIREMENT HEALTHCARE FUNDING PLAN WITH NPPFA BENEFITS

City Manager Summary: At the conclusion of the last Finance & Personnel Committee meeting, Staff promised a cooperative meeting with Staff leaders to reach consensus on what the appropriate funding classes would be for a Section 115 Trust Benefit.

After hosting a work session with approximately 10 employees, Staff proposes the following two classes:

1) Active Members - Definition: Full-time employee of the City of Maquoketa.

- 1% of employee pay
- Up to 20 hours of comp or vacation time twice per year
- City contribution if side-health insurance fund allows: \$500 annually for employees on single health plan; \$750 for employees on family health plan

2) Separating Members – Definition: Full-time employee of the City of Maquoketa who will separate service within the calendar year.

- 1% of pay
- Comp-time balance at separation
- PTO balance at separation
- 50% of sick time balance at separation if hired full-time prior to July 1, 1990
- City contribution if side-health insurance fund allows: \$500 annually for employees on single health plan; \$750 for employees on family health plan

If supported by the Committee, Council will consider NPPFA Benefits by Resolution. This is a good program for the employee and one that helps reduce the City's financial liabilities with all employees.

Committee support is recommended.

10. REVIEW OF THE CITY ANNUAL TAX INCREMENT FINANCING (TIF) CLAIM

City Manager Summary: The next City Council meeting of November 21, 2022 will feature a section on the City's annual TIF claim which is due to Jackson County. TIF is used as a tool to spur economic growth by incentivizing business or creating infrastructure to plan for growth. Overall, it is a very helpful tool for the City.

TIF too often receives a negative association. Jackson County is the most directly impacted stakeholder by a City TIF claim because it claims general property taxes from their respective rolls within our Urban Renewal Area. It's no secret that the City's TIF claim has increased due to public improvement projects and driving business to Maquoketa. Staff wished to communicate the chart on the next page to show our current claim obligations going before the County.

For reference, the City's claim in FY20-21 was \$438,195 and \$436,852 in FY21-22.

Staff will welcome questions upon review.

	TIF DISTRICT	CLAIM 11/21 FOR 22-23	CLAIM 11/22 FOR 23-24	CLAIM 11/23 FOR 24-25	CLAIM 11/24 FOR 25-26	CLAIM 11/25 FOR 26-27
12	\$350,000 TIF REBATE Res. 00-97 approved 11-21-00 (Maq Housing LP I-Ales) 100% incremental taxes for 20 years or \$350,000 which ever comes first					
13	HURST HOTEL REBATE Res. 05-70 approved 11-21-05 (Maq. Housing LP II - Ales) Res. 08-52 approved 11-3-08, \$13,333 for each of 15 years	\$ 13,333.00	\$ 13,333.00			
31	DOWNTOWN STREET PROJECT GO BOND-MAT 6/01/33 Res. 20-82 approved	\$ 151,623.00	\$ 152,723.00	\$ 148,723.00	\$ 149,723.00	\$ 150,418.00
35	DOWNTOWN GO BOND (Escrow/Prepay Debt) Res.					
36	2019 A BOND PRINCIPAL & INTEREST PYMTS Res. 20-82 approved	\$ 163,100.00	\$ 156,300.00	\$ 165,000.00	\$ 167,400.00	\$ 180,698.00
37	2021 A BOND PRINCIPAL & INTEREST PYMTS Res.	\$ 112,755.00	\$ 112,090.00	\$ 113,290.00	\$ 114,390.00	\$ 115,390.00
38	DOWNTOWN REVITALIZATION-FAÇADE PROGRAM Res.					
39	JACKSON CO ECONOMIC DEVELOPMENT Res. 18-XX approved 15/16 - 18/19	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00
40	BSM2 DEV, INNOVATE 120, 138 S MAIN, PLAYALARGA, LLC TO UNIFIED URBAN AREA Res 20-82 approved Ahlers & Cooney	\$ 7,870.00	\$ 14,980.00			
41	CHAMBER OF COMMERCE \$20,000 per year	\$ 40,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
42	UPPER STORY (OSTERHAUS) LEGAL FEES Res 20-82 approved	\$ 3,991.00	\$ -			
43	CLINTON ENGINES VAPOR INTRUSION	\$ 47,585.00	\$ -			
44	BUILD GRANT ADMINISTRATION LEGAL FEES- ECIA	\$ 38,000.00	\$ 7,425.00			
45	DOWNTOWN INCENTIVE FY 20/21	\$ 89,885.00	\$ 88,729.00	\$ 90,623.00	\$ 100,000.00	\$ 100,000.00
46	BSM2 DEVELOPMENT, LLC- WESTERN AVE		\$ -			
47	ROCKDALE ENTERPRISES- MOORE LOCAL Rebate is 50% of the tax increment for FY 23/24-FY 32/33 with a not to exceed of \$150,000		\$ 2,500.00			
48	GT DEVELOPMENT-MITCHELL MASKREY Rebate is 100% of the tax increment for FY 23/24- FY 32/33 with a not to exceed of \$140,000		\$ 8,000.00			
49	BR2- DOLLAR FRESH Rebate is 90% of the tax increment for FY 23/24- FY 37/38 with a not to exceed of \$1,300,000		\$ 65,000.00			
50	TIF BOND DEBT REPAYMENT		\$ 25,000.00			
TOTALS		\$ 728,142.00	\$ 726,080.00	\$ 597,636.00	\$ 611,513.00	\$ 626,506.00

11.REVIEW OF THE CITY'S PURCHASING POLICY

12.OTHER BUSINESS

13.ADJOURN