



Finance and Budget Committee
Tuesday, March 12, 2024 @ 5:00 PM
Lorraine H. Morton Civic Center

COMMITTEE MEMBER PRESENT:

David Livingston, Resident, Clare Kelly, Councilmember, Jonathan Nieuwsma, Councilmember, Bobby Burns, Councilmember, Leslie McMillan, Committee Member, Melissa Wynne, Councilmember, and Shari Reiches, Committee Member

COMMITTEE MEMBER ABSENT:

Devon Reid, Councilmember

STAFF PRESENT:

Hitesh Desai, Chief Financial Officer/Treasurer, Michael Van Dorpe, Financial Analyst, Clayton Black, Budget Manager, Lara Biggs, City Engineer, Luke Stowe, City Manager, Daniel Biss, Mayor, and Sarah Flax, Director of Community Development

1. CALL TO ORDER/DECLARATION OF A QUORUM

Chair Livingston called the meeting to order at 5:03 P.M.

2. PUBLIC COMMENT

Jack Mortel commented on the Fire Pension Board.

3. APPROVAL OF MINUTES

M1. Approval of February 13, 2024 Finance & Budget Committee meeting minutes.

Minutes Approved

Moved by Councilmember Wynne
Seconded by Councilmember Nieuwsma

Ayes: Livingston, Kelly, Nieuwsma, Burns, McMillan, Wynne, and Reiches

Motion Passed 7-0 on a recorded vote

4. CONSIDERATION

FB1. Recommendation Regarding Issuance of GO Bonds for CIP Projects

Clayton Black, Budget Manager, presented on this item. Clayont Black, Hitesh Desai, CFO,

Lara Biggs, City Engineer, and Anthony Micelli, Financial Advisor at Speer Financial, fielded questions from the committee members.

Staff recommended that the Finance & Budget Committee provide direction on funding for 2022-2024 capital projects including the timing and amount of GO Bonds, use of line of credit, or identification of any other funding source. Many committee members and staff acknowledged the uncertain nature of the interest rate environment. Considering this, they also realized the benefit to the City to issues bonds sooner than later.

Councilmember Nieuwsma made a motion to recommend to City Council the issuance of up to the full amount of GO Bonds discussed in the CIP fund (\$18,012,000) and the issuance of up to the full amount of GO Bonds in the Water Fund (\$18,479,000) totaling up to \$36,491,000.

Moved by Councilmember Nieuwsma
Seconded by Councilmember Wynne

Ayes: Livingston, Nieuwsma, Burns, Wynne, and Reiches
Nays: Kelly and McMillan

Motion Passed 5-2 on a recorded vote

Motion passed.

5. DISCUSSION

D1. Discussion about Policy on Unbudgeted Capital Projects and Capital Cost Overruns

Lara Biggs, City Engineer, presented and facilitated discussion on this item. Ms. Biggs shared the five different types of scenarios where a capital project has a cost overrun or was previously not budgeted, including examples of recent projects for those scenarios.

Many committee members agreed that the F&B Committee shouldn't be consulted on emergency repairs or other projects with cost overruns that need to be decided on a short timeline.

But, most committee members agreed that the F&B Committee should be consulted on unbudgeted capital projects over a certain threshold. Some committee members noted that if unbudgeted capital projects are approved, then other capital projects should be delayed to a future year in order to keep the capital budget flat.

D2. Discussion regarding Unallocated ARPA Funding

Hitesh Desai, CFO, Lara Biggs, City Engineer, and Sarah Flax, Community Development Director, fielded questions from the committee members.

Staff shared that the ARPA funding needs to be allocated and under contract by December 31, 2024, and that allocated funding needs to be spent by December 31, 2026. Staff will be sharing an update with City Council in the next few months with recommendations on how to

proceed with some of these projects that are experiencing delays.

D3. Discussion Regarding Credit Card Fees

Clayton Black, Budget Manager, facilitated the discussion on this item.

There was a general consensus amongst the committee members to pass along credit card fees for parking ticket payments made with credit cards.

D4. Discussion Regarding Property Tax Loss Factor

This item was not discussed.

6. ADJOURNMENT

Hitesh Desai expressed his gratitude to David Livingston at the end of the meeting for serving as the Chair of the Finance and Budget Committee for the last two years.

Chair Livingston adjourned the meeting at 7:06 P.M.