

BOARD OF DIRECTORS

Regular Meeting

March 1, 2022

AGENDA

AGENDA

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- 1. Call to Order
- 2. VOTE: Approval of Agenda
- 3. VOTE: Approval of Minutes
- 4. REPORT & VOTE: FY2022 Budget
- 5. REPORT & VOTE: Contract with MPO
- 6. REPORT & VOTE: State Auditor's Opinion; Statement of Public Purpose
- 7. REPORT: Membership
- 8. REPORT: Partnership Program
- 9. REPORT: Staffing
- 10. REPORT: Board and Executive Committee
- 11. REPORT: ARPA Grant Applications
- 12. Other Business
- 13. Adjournment

MINUTES

FY2022 BUDGET

Revenue Overview



Revenue for MIPA budget include the following:

- Membership dues
- EDA Partnership Program grant
- Additional grants/contracts

Revenue

	4th Quarter FY 22	FY 23	Total
REVENUES			
Membership Dues	<u>\$25,839</u>	<u>\$103,356</u>	<u>\$129,195</u>
EDD PP Match	\$17,500	\$70,000	\$87,500
Overage beyong match (for reserves)	\$8,339	\$33,356	\$41,695
US Economic Development Administration Partnership Program	<u>\$17,500</u>	<u>\$70,000</u>	<u>\$87,500</u>
Contracts/Grants (TBD)	\$8,750	<u>\$35,000</u>	<u>\$43,750</u>
TOTAL REVENUES	\$52,089	\$208,356	\$260,445

Costs Overview



Costs for MIPA budget include the following:

- Salary and fringe benefits for new staff
 - Fringe benefits same as MPO
- Indirect costs to MPO for facilities, supplies, etc.
 - Indirect costs allocated proportionately across contracts
- MPO staff support costs
- Audit
- Admin fee to MPO (5% of personnel costs)

Costs

	4th Quarter FY 22	FY 23	Total
(a) Salaries and Wages	<u>\$15,086</u>	\$60,345	<u>\$75,431</u>
(a1) Salaries (minus paid leave)	\$15,086	\$60,345	\$75,431
(a2) Wages	\$0	\$0	\$0
(b) Fringe Benefits	<u>\$13,412</u>	\$53,64 <u>9</u>	<u>\$67,061</u>
(b1) Paid Leave	\$2,414	\$9,655	\$12,069
(b2) Other	\$10,998	\$43,993	\$54,992
Fringe Rate	88.90%	88.90%	88.90%
(c) Salaries and Wages + Fringe Benefits	\$28,498.36	\$113,993.46	\$142,491.82
(d) Indirect Costs	<u>\$8,998</u>	<u>\$35,992</u>	\$44,990
Facilities	\$2,912	\$11,650	\$14,562
Professional Services	\$1,544	\$6,176	\$7,720
Computers	\$1,136	\$4,544	\$5,680
Telecommunications	\$475	\$1,900	\$2,375
Printing and Postage	\$211	\$843	\$1,053
Travel & Training	\$1,239	\$4,957	\$6,197
Dues/Memberships	\$293	\$1,171	\$1,463
Equipment	\$372	\$1,487	\$1,859
Office Supplies	\$248	\$991	\$1,239
Publications	\$103	\$413	\$516
Sponsorships	\$310	\$1,239	\$1,549
Food & Beverages	\$145	\$578	\$723
Meeting Rooms	\$10	\$41	\$52
Indirect Rate	31.57%	31.57%	31.57%
(e) Other Direct Costs	<u>\$6,252</u>	<u>\$25,008</u>	<u>\$31,260</u>
MPO Staff Support	\$3,883	\$15,531	\$19,414
Admin fee to MPO			
(5% of personnel costs)	\$1,619	\$6,476	\$8,095
Audit	\$750	\$3,000	\$3,750
(e) Total Costs	\$43,748	\$174,993	\$218,741

Summary

	4th Quarter FY 22	FY 23	Total
REVENUES			
Membership Dues	<u>\$25,839</u>	<u>\$103,356</u>	\$129,195
EDD PP Match	\$17,500	\$70,000	\$87,500
Overage beyong match			
(for reserves)	\$8,339	\$33,356	\$41,695
US Economic Development			
Administration Partnership			
Program	\$17,500	<u>\$70,000</u>	<u>\$87,500</u>
Contracts/Grants (TBD)	\$8,750	\$35,000	<u>\$43,750</u>
TOTAL REVENUES	\$52,089	\$208,356	\$260,445
COSTS			
Salaries, Wages, Benefits, and			
Indirect Costs	\$37,496	\$149,985	\$187,482
Salaries (minus PTO)	\$15,086	\$60,345	\$75,431
Benefits	\$13,412	\$53,649	\$67,061
Wages	\$0	\$0	\$0
Indirect	\$8,998	\$35,992	\$44,990
Other Direct Costs	\$6,252	\$25,008	<u>\$31,260</u>
TOTAL COSTS	\$43,748	\$174,993	\$218,741
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BALANCE	\$8,341	\$33,363	\$41,704
Overage beyong EDA PP	60.220	622.256	¢44.005
match (for reserves) Other	\$8,339	\$33,356	\$41,695
Other	\$2	\$7	\$9

CONTRACT WITH MPO

Contract Background



The Des Moines Area MPO has staffed the effort to establish an Economic Development District for the Mid-Iowa region.

- The arrangement discussed with stakeholders was for MIPA to contract staffing from MPO;
 - Partnership Program requires MIPA to directly hire at least one employee;
 - The MPO contract, then, will cover the balance of MIPA's needs as an organization;

CONTRACT: Outline

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- Provide or manage all administrative functions:
 - Name Todd Ashby as supervisor of employees, including hiring and firing
 - Human resources, including payroll and benefits management
 - Accounting & Auditing
- Provide planning support
 - Gives MIPA access to broader expertise of MPO staff members
 - E.g., various specialties including public engagement

CONTRACT: Annual costs

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- Total MIPA contract with MPO: ~\$61,000
 - \$36,000 in indirect costs
 - Office space, phone, computer, supplies, etc.
 - \$15,500 in planning staff support
 - Approx. 210 hours of planning staff support
 - \$3,000 audit
 - Using same auditor as MPO
 - \$6,500 in admin support
 - Administering of fringe benefits for employee; MIPA staff oversight and support; assistance with required EDD documentation

STATE AUDITOR'S OPINION; STATEMENT OF PUBLIC PURPOSE

BACKGROUND: Auditor Opinion

MIPA's 504 structure is legal. However, the state auditor's office prefers for local governments to participate in regional ventures via 28F rather than nonprofit to ensure taxpayer funds go to public purpose,

Scott-

We've discussed the resolution you've provided, and we believe the agreement you've provided is acceptable under the law and our office's guidance. However, we continue to maintain that a 28E is the far better vehicle for this type of arrangement. I've attached our guidance on the government entities

This resolution does touch on the areas of concern in our guidance, namely documentation and public purpose. 15A.1(1) expressly defines Economic Development as a public purpose. Given that, and that 15A.1(2) specifically includes "grants," some of the issues applicable to other types of non-profits aren't

Putting those two things together, when the governmental subdivision sets out economic development as the public purpose, and adequately documents it, it can provide grants to private entities for that purpose. Our office would agree that if is demonstrated the subdivision has considered all of the requirements of 15A and has documented and memorialized their consideration that a public purpose will reasonably be accomplished, a grant to a non-profit is permissible. Many times what is missing is the documentation of the consideration and jump right to approving the grant. Simply using the term economic development doesn't make it so. In order for the resolution to meet the minimum threshold necessary for compliance, we would look for wording like "whereas Chapter 15A of the Code of lowa.......Whereas the City has determined, etc."

The existing resolution says MIPA will provide members with professional planning and technical assistance and seek funding but doesn't really go into how that will meet the criteria of 15A. Alternatively, as long as the official minutes documents the elements of 15A to bring the resident to an understanding of how this alliance has been determined to be for a public purpose to include new jobs or retaining existing jobs, that could be sufficient. Generally, auditors should not have to fill in the blanks for what is not in there- we think that is the responsibility is on the government

Our office notes the last paragraph of that resolution says the city will appoint members of the MIPA board on behalf of the City. Why not spell all of this out in a 28E with each member of the 28E rather than a bunch of individual documents between the governments and the nonprofit? A 28E would be far better to spell out the requirement for MIPA to properly spend and invest the \$ and provide periodic accounting back to the governments. This type of agreement provides the best opportunity for taxpayers to ensure there is accountability for public funds in a cooperative arrangement.

In other words, we think your approach works, but it is far from the best practice. Happy to discuss if



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BACKGROUND: Decision for 504



There are a few reasons why legal counsel and staff recommended MIPA be formed as a 504 nonprofit.

- 504 nonprofit was acceptable to the U.S. EDA and is a common legal structure for other EDD organizations in the state of Iowa.
- 504 nonprofit makes it simpler for eligible jurisdictions to join the organization as members at any time.
- 504 nonprofit was quicker to start than a 28E would have been.
 - A 28E would have required that membership be determined before its creation, which would have extended the formation process to the point that MIPA would have missed window to apply to the Partnership Program ahead of Federal Fiscal Year 2022.





Staff recommends taking two steps to give assurances to member jurisdictions and the state auditor's office.

- Near-term: Adopt a statement of public purpose as a board (today's agenda item).
- Long-term: Incorporate language regarding public purpose into template membership resolutions for next enrollment period.

MEMBERSHIP

MEMBERSHIP: 46 Jurisdictions



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Ankeny

Baxter

Bondurant

Boone

Carlisle

Clive

Colfax

Des Moines

Dallas County

Elkhart

Grimes

Hartford

Huxley

Indianola

Jasper County

Johnston

Kellogg Knoxville

Lambs Grove

Lynnville

Marion County

Melcher-Dallas

Milo

Mingo

Mitchellville

Monroe

Nevada

Newton

Norwalk

Oakland Acres

Ogden

Pella

Pleasant Hill

Prairie City

Polk County

Reasnor

Story County

Sully

Urbandale

Valeria

Van Meter

Waukee

West Des Moines

Windsor Heights

Zearing

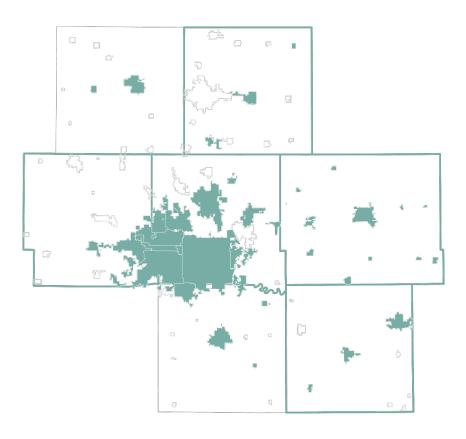
MEMBERSHIP: Analysis

- More than 80 percent of population covered by member
- 5 of 7 counties joined
 - Members: Dallas, Jasper*, Marion, Story, Polk
 - Also paying for all jurisdictions in county except Newton
 - Not members: Boone, Warren
- 41 of 89 all eligible cities joined, including:
 - 28 of 41 cities with 1,000 or greater population
 - Not Ames, Altoona, Perry, Polk City, Story City, Madrid, Dallas Center, Pleasantville, Granger, Slater, Roland, Woodward, Gilbert
 - 13 of 48 cities with less than 1,000 population



MEMBERSHIP: Mapped





PARTNERSHIP PROGRAM

UPDATE: Partnership Program

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- Submitted Partnership Program application on February 7
- Provided some follow-up information
- Denver region reviewed and forwarded to headquarters.
- No official word yet, but EDA staff says it's on track to start April 1.

BACKGROUND

Three-year grant for \$210,000 (\$70,000 annually)

STAFFING

MIPA Staff Member



To meet the requirements of the Partnership Program, MIPA will directly hire one staff member.

- MPO will still play role in administration of MIPA (next item)
- Senior Planner level position
- Around \$70K annual salary range, plus benefits
- Target start date of April 1

UPDATE: Hiring Process

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- Posted opening February
 - Two applicants so far
- First-round interviews early March
- Hiring committee volunteers:
 - Greg Piklapp from Boone County, Alex Lynch from Dallas County, Carla Eysink from Marion County, Wade Wagoner from Jasper County, Clyde Evans from Polk County, Brenda Dryer from Story County, and Charlie Dissell from Warren County
- Committee process TBD, based on quality/quantity of applicants
- Make offer mid March
- Start date target of April 1

BOARD AND EXECUTIVE COMMITTEE

TRANSITION: Board of Directors



Staff proposes to use the FY22 fourth quarter (first of operations) to transition from the interim board to the full-time board.

- Mid-March Solicit board reps from member jurisdictions (1 per jurisdiction) as part of invoicing members
 - Provide April 15 deadline to appoint board reps
- Mid-April Solicit private sector board reps from member jurisdictions (2 per county); appointed by members in county
 - Provide May 13 deadline
- Late May Hold first full board meeting (in May, per bylaws) and adopt work program and budget for first full fiscal year.
 - 10 a.m. Monday, May 30?
 - Another meeting needed before September to adopt CEDS.

TRANSITION: Executive Committee



Executive Committee could then be formed in second half of April, after member jurisdiction appoint their board members.

- Late April solicit executive committee reps from board reps of member jurisdictions.
 - Give deadline of May 13.
- Adopt bi-monthly schedule for Executive Committee.
 - Tuesday mornings not working for county-affiliated reps
 - Best day of the week / week of the month?

ARPA GRANT APPLICATIONS

AMERICAN RESCUE PLAN

- Continue working with a handful of jurisdictions on potential applications.
- ISU, DMACC and United Way of Central lowa also pursued grant applications, using CEDS.



UPDATE: Grant submissions

Denver Region received \$90 million in requests for travel and tourism program.

- It has \$19.1 million to spend.
- There are 10 states in the Denver Region.
- EDA is targeting 2 awards per state.
- Iowa has 7 applications; 4 from region.
- The applications will be reviewed March 1.
- Awards to be announced by end of March.



OTHER BUSINESS

ADJOURNMENT

Thank you!

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