

Regulatory Analysis

Notice of Intended Action to be published: 545—Chapter 1
“Operations of City Finance Committee”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 384.13 through 384.15, 384.16 through 384.22, and 17A

State or federal law(s) implemented by the rulemaking: Iowa Code sections 384.13 through 384.15 and 384.16 through 384.22

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

August 1, 2025
11 a.m.

Room G14
1007 East Grand Avenue
Des Moines, Iowa

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Department of Management no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Brad Horn, General Counsel
Department of Management
1007 East Grand Avenue, Room G13
Des Moines, Iowa 50319
Phone: 515.414.6187
Email: brad.horn@dom.iowa.gov

Purpose and Summary

The City Finance Committee is proposing to rescind Chapter 1 of its rules and repromulgate the rules with substantial edits. Chapter 1 of the Committee’s rules provides basic information about the Committee and its composition and outlines procedural functions.

Analysis of Impact

1. Persons affected by the proposed rulemaking:

• Classes of persons that will bear the costs of the proposed rulemaking:

Only individuals who interact with the Committee bear any costs associated with the proposed rules. The rules provide minimally necessary guidance for those seeking to interact with the Committee.

• Classes of persons that will benefit from the proposed rulemaking:

City officials benefit, as well as taxpayers within cities, by understanding the basic procedures of the Committee and its composition.

2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:

• Quantitative description of impact:

The rulemaking would not have a quantitative impact on citizens or any other entity.

• Qualitative description of impact:

The proposed rulemaking simplifies the existing rules and removes all restrictive words and phrases from the rules, which should provide those who access the rules a better qualitative experience when interacting with the Committee.

3. Costs to the State:

• **Implementation and enforcement costs borne by the agency or any other agency:**

This proposed rulemaking removes any unnecessary statements in the rules and simplifies the text where possible. There are no additional implementation or enforcement costs borne by any agency because of the updates to the rules.

• **Anticipated effect on State revenues:**

State revenues, as well as implementation and operations costs, do not change based on this cleanup of the Committee's rules. It is not anticipated that there will need to be any system changes or other changes in policy of any kind.

4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

Inaction is not permissible because the rules must be addressed pursuant to Executive Order 10. The benefits of this proposed rulemaking should be that taxpayers accessing the Committee should have an easier time because the rules will be easier to follow. The rulemaking also removes some unnecessary burdens from the rules, which provides a benefit to anyone interacting with the Committee.

5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

All rules were evaluated with the goal of reduction, elimination and simplification of the existing rules. No less intrusive methods have been identified along the way. No less costly alternatives were identified in the process.

6. Alternative methods considered by the agency:

• **Description of any alternative methods that were seriously considered by the agency:**

No alternatives are available.

• **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Not applicable. The rules are necessary to provide basic information about the Committee.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

• Establish less stringent compliance or reporting requirements in the rulemaking for small business.

• Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

• Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

• Establish performance standards to replace design or operational standards in the rulemaking for small business.

• Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

The rulemaking does not have any substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 545—Chapter 1 and adopt the following new chapter in lieu thereof:

CHAPTER 1
OPERATIONS OF CITY FINANCE COMMITTEE

545—1.1(384) Purpose. To ensure that the proceedings of the city finance committee are conducted in an orderly manner and also to provide that the public is kept informed of actions taken by the city finance committee, the committee adopts the following rules.

545—1.2(384) Definitions. The following definitions apply to the rules of the city finance committee.

“Committee’s mailing address” is Department of Management, 1007 East Grand Avenue, G13, Des Moines, Iowa 50319.

“Department” means the department of management.

“Director” means the director of the department.

“Fund” means a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, obligations, or limitations.

“Fund transfer resolution” means a resolution of the city council that is to be passed to allow for transfers between funds. A fund transfer resolution is to be completed for all transfers between funds and will include a clear statement of reason or purpose for the transfer, the name of the fund from which the transfer is originating, the name of the fund into which the transfer is to be received, and the dollar amount to be transferred. For transfers of utility surpluses outlined in 545—subrule 2.4(5), the calculation proving the surplus will also be shown in the resolution. Intrafund transfers do not need a fund transfer resolution. Multiple transfers between funds may be approved in one resolution, so long as each transfer’s purpose, originating fund or subfund, and receiving fund or subfund, and the amount of transferred dollars are separately identified. Fund transfer resolutions may also be included in budget or budget amendment adoption resolutions, so long as each transfer’s purpose, originating fund or subfund and receiving fund or subfund, and the amount of transferred dollars are separately identified.

“Intrafund transfer” means a transfer between accounts or subfunds within a fund.

“Program” means any one of the following nine major functions of public service that the city finance committee directs a city to use in defining the city’s program structure:

1. Public safety;
2. Public works;
3. Health and social services;
4. Culture and recreation;
5. Community and economic development;
6. General government;
7. Debt service;
8. Capital projects;
9. Business-type activities.

“Transfers between funds” means the transfer of amounts from one fund to another fund.

545—1.3(384) Membership. The selection, appointment and approval of members to the city finance committee are made as provided for in Iowa Code section 384.13. Names of designees will be given to the committee chairperson in writing by July 1 of each year, or promptly, if changed.

545—1.4(384) Organization and administration. The officers of the city finance committee will consist of a chairperson, a vice chairperson and a secretary.

1.4(1) Chairperson. The chairperson will be elected yearly to preside over the proceedings of the city finance committee. Upon a vacancy on the city finance committee, the chairperson will notify the director that a vacancy exists.

1.4(2) Vice chairperson. The vice chairperson serves in absence of the chairperson and can be assigned such other duties as the committee determines. The vice chairperson is elected yearly.

1.4(3) Secretary. The department will designate a secretary to serve as the support staff for the committee. The secretary is responsible for providing timely notice of meetings, publishing a meeting agenda in accordance with the Iowa Code, and keeping minutes of meetings.

545—1.5(384) Compensation. Committee members are to be compensated as provided by law.

545—1.6(384) Meeting. A meeting of the committee is to be held at the call of the director, the request of a majority of committee members, or upon an appeal of the director's decision. All meetings will be open to the public with the exception of any closed sessions of such meetings conducted in accordance with Iowa Code chapter 21.

545—1.7(384) Office location. All submissions to or requests of the committee should be made to the committee at the committee's mailing address during normal working hours.

545—1.8(384) Quorum and majority vote. A quorum consists of five members of the committee. All actions of the committee for promulgating rules as provided for by law need a minimum of five votes. All other actions of the committee can be approved by a simple majority vote of the members present at a meeting.

545—1.9(384) Order of business. The meetings of the city finance committee are to be presided over by the chairperson or the vice chairperson. Unless otherwise stipulated in these rules, Robert's Rules of Order are to be followed in conducting the business of the committee.

These rules are intended to implement Iowa Code sections 384.13 through 384.15 and 384.16 through 384.22.