

**Finance Commission
Meeting Minutes
April 13, 2021**

Pursuant to Minn. Stat. 13.D.021, Finance Commission members, City Staff, and members of the public participated in this meeting electronically due to the COVID-19 pandemic.

Roll Call/Announcements

The Finance Commission (FC) meeting was called to order at 6:30 p.m. Chair Davies requested staff call the roll.

Commissioners Present: Sifa Barclay, Bruce Bester, Wanda Davies, Ryan Lee, Dan Sagisser

Commissioners Absent: John Murray

Staff Present: Finance Director Michelle Pietrick

Receive Public Comments

There being no one present wishing to speak to the Commission on an item not on the agenda, the Chair moved to the next agenda item.

Approval of Meeting Minutes

Commissioner Bester moved, seconded by Commissioner Lee to approve the March 9, 2021 meeting minutes as amended. **The motion carried unanimously.**

Receive Finance Commission Recommendations Tracking Report

Ms. Pietrick updated the Commission on the tracking report.

Chair Davies asked if anyone would agree to keep the tracking report updated due to Commissioner Sagisser becoming Vice Chair of the Commission. She noted the Commissioners could think about it.

Review and Discuss Draft Purchasing Policy

Finance Director Pietrick updated the Commission on the changes made to the draft Purchasing Policy.

Chair Davies asked under the section “Disadvantaged Businesses”, does the sentence “act affirmatively to create a “level playing field” for women-owned, minority-owned and disadvantaged business enterprises to achieve the goal of equal opportunity.” mean that these groups do not necessarily have to be the lowest bid if it is a competitively bid contract.

Ms. Pietrick explained the City does not necessarily need to take the lowest bid but takes the lowest responsible bidder. When working with Federal dollars, generally in the evaluation of the proposal, points get awarded and additional points for women owned or minority owned. The City is trying to make the sure that in the bids solicited and the contracts that the City awards, that everybody has a chance to get business from the City. Generally, the City goes with the lowest bid but the way the Statute reads it is lowest responsible bid.

Chair Davies asked if having a clause like that gives the City the option to go with a minority or women owned business if there is a small difference. She also noted the amounts of \$5,000 in the policy should be changed to \$10,000 per previous conversation.

Commissioner Sagisser moved, seconded by Commissioner Lee to approve forwarding the draft policy to the City Council. **The motion carried unanimously.**

Review 2020 Cash Reserve Report and Cash Reserve Levels

Finance Director Pietrick updated the Commission on the 2020 Year End Cash Reserve Report and Cash Reserve Levels that was presented to the City Council. She indicated the City Council approved transferring \$193,000 into the Cash Reserve Fund from the IT fund. Two funds came in below their low target. Parks and Recreation ended their year at a twenty percent coverage reserve level, and she had asked the Council to consider the Commission’s recommended range and found out that it never went to the City Council. The Council authorized transferring \$235,000 out of the Cash Reserve fund and back to Parks and Recreation to make the fund hit its twenty-five percent reserve level. The License Center ended the year in a deficit fund balance situation, which is totally due to COVID impacts. She noted the License Center was closed for six to seven weeks and has been operating under an appointment only model under which they are processing almost back to pre-pandemic levels for drivers licenses. The Council approved transferring slightly under \$355,000 out of the Cash Reserve Fund to the License Center Fund so it would hit its low target level of ten percent of the next years expenses. She indicated the General Fund did end the year almost at its high target level and came in at forty-four percent cash reserves. The Communications Fund also came in slightly below the high target of thirty percent. With all of the transfers that were authorized the Cash Reserve Fund has an ending balance of \$266,000. The Council asked that it be tracked from its creation. She indicated she will be putting together an RCA to layout the Finance Commission recommendation and the Park Commission recommendation and requesting a decision be made. She noted she did some analytics to see where the Parks and Recreation Fund has been and there is nothing that she sees in the analytics that says the ten to twenty-five percent range would not be appropriate for this fund and it would be consistent with the other funds as well.

Commissioner Sagisser reviewed the Finance Commission recommendation from two years ago. He thought the Commission might want to revisit the Park and Recreation Fund range because he felt he did not have enough time to gauge this because he was new on the Commission when this was discussed.

Ms. Pietrick indicated from her perspective there should be some consistency in the ranges between the funds so she wondered if the Commission wanted to re-evaluate all of the funds reserve levels or should this be brought to the Council.

Chair Davies indicated she was more inclined to do a bigger project and review all of the reserve levels. She did not see a particular urgency of changing it for Parks and Rec immediately and maybe that could be something to discuss at the next meeting.

Commissioner Sagisser indicated he would prefer to make a recommendation to adjust them all at once instead of one by one.

Chair Davies agreed because if the fund changes are brought to the Council one at a time it makes the Commission look disorganized, in her opinion.

Ms. Pietrick thought the Commission needed to spend a little bit of time on the Enterprise Funds and at the next meeting start working on all of the Fund Reserves.

Commissioner Barkley wondered how the Cash Reserve Fund works.

Ms. Pietrick reviewed with the Commission how the funds work together in funding each other using the Cash Reserve Fund and transfers.

Identify Topics for Joint Meeting with City Council

Chair Davies indicated the Joint meeting is scheduled for the April 26th City Council meeting.

Ms. Pietrick reviewed with the Commission activities accomplished during 2020.

Commissioner Sagisser thought previously the goal was for everyone on the Commission attends the Joint meeting and introduce different talking points.

The Commission and staff reviewed topics and questions the Commission should be discussing with the City Council.

Ms. Pietrick reviewed Commissioner orientation that is coming up for all Commissioners.

Commissioner Bester wondered how the Commissioners could best participate in another Commission's virtual meeting. He wondered if that would be interfering.

Ms. Pietrick indicated the Commissioners could always participate as a resident and all meetings are open. She thought that would be a great discussion topic with the City Council.

Chair Davies thought the City Council should be responsible to tell other Commissions when spending a large amount of money to send a notice to the chair of the Finance Commission to make them aware of what is going on.

The Commission agreed with Chair Davies.

Chair Davies asked the Commission what topics each would like to present to the Council.

Commissioner Sagisser thought one item should be what the Commission has accomplished, another should be what is coming soon to the Council and the third item should be the recommendation that Commissioner Bester has previously brought forward, which he would suggest Commissioner Bester present. He indicated he would be willing to present where the Commission is intending to go in 2021 as well as the purchasing policy.

Chair Davies asked Commissioner Lee if he wanted to talk about what the Commission has done. The recommendations with the Budget Levy and the Post Issuance Debt Compliance Policy.

Commissioner Lee indicated he would be willing to present those items.

Chair Davies indicated she could finish up with making the request that the Council ask the other commissions to give the Finance Commission a heads up when there is a significant financial implication and asking for their feedback.

Identify Discussion Items for the Future Meeting (May 11, 2021)

Chair Davies stated the next agenda would include discussions on 2022 – 2041 Capital Improvement Plan review and the 2020 Audit Reports review. She indicated she would also be interested in taking a closer at the Economic Development Department which she understood is funded by permit fees. She would like to have a better understanding of what are all the permit fees and what other communities charge.

Adjourn

Commissioner Sagisser made a motion, seconded by Commissioner Bester to adjourn. The **motion passed unanimously.**

Meeting adjourned at 7:51 p.m.