

Memo

To: Roseville Finance Commission
From: Michelle Pietrick, Finance Director
Date: April 13, 2021
Re: Item #3: Approve the Minutes from the March 9, 2021 Meeting

Background

As an advisory commission to the City Council, the Finance Commission's discussions and recommendations play an important role in setting City policies and influencing decisions on programs and services.

To ensure an accurate historical account of the Finance Commission's activities are preserved, the City maintains a practice of keeping meeting minutes. The attached file contains the draft minutes from the March 9, 2021 meeting. The Commission is asked to review the minutes and identify any typos, errors or inaccuracies of the discussion that took place.

Where applicable, Commission members are asked to identify any necessary corrections at the meeting. The Commission should subsequently vote to approve the amended (if necessary) minutes. Once the minutes are approved, they become part of the City's permanent records.

Staff Recommendation

Review the draft minutes.

Requested Commission Action

Amend (as necessary) and approve the Finance Commission meeting minutes for the March 9, 2021 meeting.

Prepared by: Michelle Pietrick, Finance Director
Attachments: A: Draft Minutes from the March 9, 2021 Finance Commission Meeting

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**Finance Commission
Meeting Minutes
DRAFT – March 9, 2021 - DRAFT**

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 Murray requested staff call the roll.

Commissioners Present: Siafa Barclay, Bruce Bester, Wanda Davies, John Murray, Jack Reif, and Dan Sagisser

Commissioners Absent: Ryan Lee

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

Chair Murray stated line 122 should be changed to: “Chair Murray thought volume of New Mix was probably going down.”

Commissioner Reif moved, seconded by Commissioner Davies to approve the February 9, 2021 meeting minutes as amended. **The motion carried unanimously.**

Receive Finance Commission Recommendations Tracking Report

Commissioner Sagisser indicated the tracking report is unchanged since the last meeting.

Select Chair, Vice Chair, and Ethics Commission Representative

Chair Murray stated this item is to select a Chair, Vice Chair and Ethics Commission Representative. He asked if there were any volunteers for the Ethics Commission representative.

Commissioner Barclay indicated he would volunteer for the representative. There was no motion made but the Commission voted.

46
47 Chair Murray nominated Commissioner Davies as Chair of the Commission and Commissioner
48 Sagisser as Vice Chair.

49
50 Commissioner Bester moved, seconded by Commissioner Murray to appoint Commissioner
51 Davies as Chair and Commissioner Sagisser as Vice Chair of the Finance Commission. **The**
52 **motion carried unanimously.**

53
54 **Review 2020 Investment Portfolio Performance**

55 Finance Director Pietrick reviewed the 2020 Investment Portfolio Performance with the
56 Commission.

57
58 Commissioner Bester asked if the mix of investment in agencies versus the First American
59 Government Obligation Fund is similar to what it was in 2019.

60
61 Ms. Pietrick indicated there were not any agencies this year because agencies are at or below the
62 treasury rate. She has been able to pick up Municipal Securities which were approved in the
63 policy in 2020 at one percent or better.

64
65 Commissioner Davies noted it appears that the variance in 2019 over the five and ten year in the
66 treasuries was significantly higher. She wondered what the reason was for that.

67
68 Ms. Pietrick explained at that point agencies were well over two percent yield and now are well
69 below one percent. She is optimizing the investment returns based on the various investment
70 options allowed under the City policy while also focusing on safety of investment option. She
71 reviewed the liquidity variables with the Commission.

72
73 Chair Murray asked if the Municipals are insured.

74
75 Ms. Pietrick indicated they were all rated by the bond rating agencies.

76
77 Chair Murray thanked Ms. Pietrick for the information.

78
79 **Review and Discuss Draft Purchasing Policy**

80 Ms. Pietrick reviewed the draft Purchasing Policy with the Commission and asked for comments.

81
82 Commissioner Davies asked when the purchasing limit was changed.

83
84 Chair Murray thought it was a few years ago.

85
86 Commissioner Sagisser thought the purchasing limit should be raised to \$10,000.

87
88 Commissioner Davies agreed and thought if the limit were raised then it would not need to be
89 done again quite so soon.

90

91 Ms. Pietrick reviewed with the Commission what kind of items are reviewed by the City Council
92 and defined Capital Projects.

93

94 Chair Murray asked if someone wanted to make a motion recommending the Council increase
95 the City Manager’s authority to \$10,000.

96

97 Commissioner Davies made a motion, seconded by Commissioner Sagisser to recommend the
98 City Council increase the City Manager’s purchasing authority to \$10,000. **The motion passed**
99 **unanimously.**

100

101 Chair Murray indicated the Finance Commission has previously made a recommendation like
102 this and the City Council has turned it down.

103

104 Commissioner Sagisser asked if it would be helpful if the Commission provided a reason with
105 the motion.

106

107 Ms. Pietrick thought the argument could be said that the policy of \$5,000 was set almost twenty
108 years ago.

109

110 Commissioner Sagisser thought the clear reasoning for him is that with inflation and the
111 frequency of how much this is updated and keeping it in line with other cities.

112

113 Commissioner Davies noted it will also save money with staff time and Council review. She
114 thought it was a matter of efficiency.

115

116 Commissioner Sagisser wondered if there might be logic to raise the limit even higher and
117 linking it more to specific types of projects. He thought \$10,000 was a great place to start.

118

119 Ms. Pietrick thought this will be well received by all of staff. She continued with her review of
120 the Purchasing Policy.

121

122 Commissioner Bester asked if staff was going to remove appendix A.

123

124 Ms. Pietrick indicated she would like to do that because she thought most of it was incorporated
125 in other parts of the policy but those things that were specific to professional service contracts
126 she tried to spell out. The only change she made in that area was that the current policy says that
127 contracts for professional services shall be for terms of not more than three years. The standard
128 practice in most governments is a three year plus a one-year extension of an additional three.
129 Some cities do other combinations as long as there is satisfactory performance. She thought
130 since she was drafting the policy she would try and incorporate that best practice, if the Council
131 chose to do that.

132

133 Commissioner Sagisser indicated he would agree with that and thought that was pretty normal
134 for government.

135

136 Commissioner Davies indicated the policy states all professional contracts shall be approved by
137 the City Council and she wondered if that also included the ones under the five or ten thousand
138 dollars.

139
140 Ms. Pietrick indicated most of the City’s professional service contracts are over ten thousand
141 dollars such as the City Attorney, auditors, architects.

142
143 Chair Murray asked if the three-year contract with one three-year extension included
144 professional services such as the City Attorney.

145
146 Ms. Pietrick indicated it would and then the City would need to go out and do a full-blown RFP
147 proposal, which the current firm can certainly submit a proposal for. Currently it is a three year
148 and then the City is supposed to do an RFP or ask the City Council for a waiver.

149
150 The Commission concurred and thought it made sense to add the extension into the policy.

151
152 Ms. Pietrick continued with her review of changes to the purchasing policy.

153
154 Commissioner Davies thought the professional services policy from 2009 was just for
155 information and would be going away.

156
157 Ms. Pietrick indicated that was going to be her recommendation.

158
159 Chair Murray thought that made sense.

160
161 Commissioner Bester wondered if it made sense to put this into some kind of order such as:
162 purpose, policy, definition, methods, procedures.

163
164 Commissioner Davies indicated that is typically how the contracts are written, with the
165 definitions at the front end, after the preamble. She thought that made sense to put the
166 definitions after the purpose and before the policy.

167
168 Chair Murray wondered if there should be an index in this as well because he figured staff will
169 need to look at these from time to time.

170
171 Ms. Pietrick noted the document is only six pages long, but she could make an index or table of
172 contents. He goal is this is one policy that is going to get incorporated with all of the other City
173 policies into one financial policies document, which would have a table of contents.

174
175 **Identify Date and Items for Joint Meeting with City Council**

176
177 Commissioner Bester indicated he would like to discuss the letter he wrote regarding Scope
178 Duties and Functions to the City Council before the Joint meeting. He reviewed the letter with
179 the Commission. He wondered what value the Finance Commission brings to the review of the
180 financial information, audit, and management letter after it is approved by the City Council.

181
182 Commissioner Sagisser thought this past year was very tight with looking at the budget and
183 making a recommendation on it as well. He thought the Finance Commission should be more
184 involved.
185
186 Chair Murray found the value in looking at the audit is the Commission gets a better
187 understanding of what the City finances are. As far as adding any value for the Finance
188 Commission he was not sure.
189
190 Commissioner Davies explained the Finance Commission does not have the capability to do any
191 kind of an audit. In the case of the audit, she did not think there was anything except being
192 downstream of it. The Commission is not going to be sitting down with the auditors and seeing
193 exactly what they are doing before they do it. The Commission does not have the skills or the
194 people to do that.
195
196 Chair Murray thought it was nice that the auditors gave a presentation to the Commission and
197 answered questions.
198
199 Commissioner Davies agreed but was not sure what the Commission could be doing ahead of the
200 audit or while the audit is going on.
201
202 Commissioner Bester thought they can become better Commissioners by understanding what the
203 financials include.
204
205 Commissioner Davies noted in reviewing the audit afterwards does that. She asked if Ms.
206 Pietrick had any sense if the Council feels like they are getting value from what the Commission
207 is doing.
208
209 Ms. Pietrick explained when it comes to polices, she brings them to the Finance Commission
210 first before it goes to the Council because the Council always wants the Finance Commission
211 recommendation. With regard to the audit, the auditors have a responsibility to present the audit
212 to the governing body of the entity and that is why it goes to the Council first. Tentatively it is
213 scheduled for May 3rd this year. The City still has not closed its books yet and it is March. The
214 auditors will be coming out to do field work on Monday, March 15th and there is a lot of
215 scrutiny. It takes a bit of time, but staff is shooting for May 3rd to go before the City Council and
216 if it is presented then, the Finance Commission will see the financial report May 11th.
217
218 Commissioner Sagisser indicated he agreed with the desire to be involved a little more upstream.
219 He wondered if Commissioner Bester had specific areas where it made sense for the Commission
220 to be more involved or is it just a start of the conversation.
221
222 Commissioner Bester added an example from community members about different financial
223 transactions that were made. This resident wondered at what point did the Finance Commission
224 get involved in those conversations.
225

226 Commissioner Davies noted coming up will be the contract for recycling that the Commission
227 will review. She saw a role for the Commission in looking over the proposals received and
228 commenting on them prior to the City Council.
229

230 Ms. Pietrick indicated that contract is actually assigned to the Public Works committee. Staff
231 will review it but suspected the PWETC gets involved in it.
232

233 Commissioner Sagisser thought the Finance Commission might be interested in the financials
234 around the recycling because that is a lot of money. He thought the Commission might look at
235 what different pay structures might mean.
236

237 Commissioner Davies added to that to include who is bearing the risk of market changes.
238

239 Chair Murray noted he has been on the Finance Commission during two major projects, one was
240 the shopping center and the other the Fire Department property sale and the Commission was not
241 consulted on the Fire Department sale and he thought both of those should have fallen into the
242 purview of the Finance Commission.
243

244 Ms. Pietrick indicated that based on these questions she was requesting a joint meeting with the
245 City Council. She thought these questions should be defined for the Commission prior to the
246 Joint meeting with the Council.
247

248 Chair Murray thought Commissioner Bester had some good thoughts. He noted the Commission
249 has a joint meeting scheduled with the City Council in May.
250

251 Ms. Pietrick noted the joint meeting will either be April 26th or May 3rd. The Commission can
252 discuss specific topics at the next Finance Commission meeting.
253

254 Chair Murray agreed and indicated the Commission think about any other topics to be discussed
255 as well.
256

257 **Staff Update**

258 Ms. Pietrick reviewed the meeting items for the April meeting.
259

260 The Commission discussed ways to promote the Finance Commission to applicants and how to
261 possibly retain members and bring past members back.
262

263 **Adjourn**

264
265 Commissioner Bester made a motion, seconded by Commissioner Davies to adjourn. **The**
266 **motion passed unanimously.**
267

268 Meeting adjourned at 7:52 p.m.