

Memo

To: Roseville Finance Commission
From: Michelle Pietrick, Finance Director
Date: April 13, 2021
Re: Items for discussion at a Joint meeting with City Council.

Background

The Finance Commission has a joint meeting with the City Council for purposes of reviewing the Commission's activities during the past year, to receive any Commission guidance or recommendations, and to discuss the Commission's discussion topics moving forward. On March 9, 2021, the Commission had a preliminary discussion of topics for this meeting. The discussion focused on the scope, duties and functions of the Finance Commission. The Commission discussed when and how they should be involved in financial transactions. Discussion also focused on budget timeline and having more discussion and input on the budget.

Attachment A, is a memo from Commissioner Bester which examined the scope, duties and functions of the Commission. This is a topic for discussion with the City Council. Attachment B is a recap of the March 9, 2021 discussion on this memo.

The Finance Commission is asked to identify specific topics to discuss with the City Council. Also, identify who will be presenting the topics at the joint meeting scheduled for April 26, 2021.

Staff Recommendation

Not applicable

Requested Commission Action

Discussion on topics and preparation of recommendations for City Council consideration at a Joint City Council-Finance Commission meeting.

Prepared by: Michelle Pietrick, Finance Director
Attachments: A: Scope Duties and Function memo from Commissioner Bester
B: Summary of March 9, 2021 discussion regarding attachment A

Roseville Finance Commission Scope Duties and Functions

The purpose of this project is to examine the Scope Duties and Functions as written and provide thoughts, observations and possible recommendations.

On 12/12/20 the Finance Commission received a written communication from a citizen regarding “Finance Commission Involvement”. The essence of the issue was – If and when the Finance Commission gets involved in financial decisions. This communication, and my first months of service on the Finance Commission, caused me to question whether the Finance Commission is fulfilling the scope, duties and functions as written in Chapter 208 of the Commissioner’s Handbook.

I need to keep in mind that the purpose of the Finance Commission is advisory in nature. It is not an oversight or supervisory commission.

Nevertheless, there are times when I am left with a sense of being downstream from some of the financial activities of the city. That of course, begs some specific examples.

Function F of the Scope, Duties and Functions calls for “Review of the annual financial information, annual audit and management letter.” My question is about the timing of this review. This year the Finance Commission is scheduled to review the audited financials on June 8, 2021. This follows the City Council review of same on May 3, 2021. And, of course well after the audit field work has been completed. I am not sure what value we bring after the fact, perhaps we could discuss to clarify.

The sale of fire station was also mentioned in the written communication to Finance Commission. This would probably rise to the level review of a key financial transaction.

Finance transactions do not occur in isolation; there are other departments and commissions involved in creating key financial actions. Seems to me that to do the best job we can as Finance Commissioners, we need to be aware of key connections to other commissions. Recent example of how this was done well was 11/4/20 memo from Michelle Pietrick to Finance Commission suggesting that we watch the 10/19/20 City Council meeting for background on Utility Rate Study, for discussion at Finance on 11/10/20. The City Council meeting of 12/7/20 provided key information about the bond issue for water improvements and refinance of fire station. Probably not feasible to “attend” all commission meetings. Not sure how best to be connected when and where we should. Perhaps more discussion?

In the end, I am curious whether Michelle and the City Council are satisfied that the Finance Commission is meeting expectations, especially with regard to the Scope, Duties and Functions. What could or should we be doing to do better or provide greater value?

Prepared by Bruce Bester
e-mail to John Murray 2/28/21

e-mail to Michelle Pietrick 3/1/21

Discussion notes from Finance Commission meeting of 3/9/21

Reviewed and discussed Attachment A of the Finance Package - Scope Duties and Functions of the Finance Commission.

Note that the question raised about scope, duties and functions focused solely on Function F- review of annual financial information, the annual audit, and management letter.

- Question was raised about the timing of that review.
- Question also raised about Finance Commission awareness, participation, or involvement in key financial transactions.
- Citizen questions received by Finance Commission regarding “If and when does the Finance Commission get involved in financial decisions”.

The Finance Commission is expected to first review the 2020 financial statements on 6/8/21.

- Michelle Pietrick explained that the audit fieldwork is just starting as of 3/15/21.
- The final cash reserve entries are expected to be approved by City Council on 3/22/21.
- The City Council is scheduled to review 2020 audit draft on 5/3/21.

What value does the Finance Commission provide in reviewing audited financials after the fact?

- The Finance Commissioners agreed that it is important that the Commissioners be aware and knowledgeable about the content of the annual financial statements. A sort of educational matter for the Finance Commissioners. The audited financials are lengthy and involved.
- Knowing what is in the audited financials can be seen as providing a foundation for the coming year budget.
- The City finances are very much managed through the budget process followed by adherence to budget. Operation managers are granted significant authority to spend within their approved budgets.
- Some thought that Finance Commissioners might provide more value or be more effective by being more focused on the budget development process.

Finance Commission involvement in key financial transactions.

- Financial transactions commonly originate in or are created in any of the City’s operational groups. To be involved in these financial decisions suggests that Finance should find a way to be in touch with the activities of other Commissions.
- Awareness could include monitoring of the agendas of other Commissions.
- Attending, virtually or in person, other Commission meetings based on the agenda topics.
- Attending, virtually or in person, City Council meetings based on the agenda topics.
- Guidance or suggestions from Finance Director.
- Continue to welcome citizen input as to topics that warrant attention.