

Memo

To: Roseville Finance Commission
From: Michelle Pietrick, Finance Director
Date: February 8, 2022
Re: Item #3: Approve the Minutes from the January 11, 2022 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 January 11, 2022 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 January 11, 2022 meeting.

Prepared by: Michelle Pietrick, Finance Director
Attachments: A: Draft Minutes from the January 11, 2022 Finance Commission Meeting

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**Finance Commission
Meeting Minutes
DRAFT – January 11, 2022 - DRAFT**

Roll Call/Announcements

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

Commissioners Present: Bruce Bester, Wanda Davies, John Murray, Dan Sagisser

Commissioners Absent: Siafa Barclay, Sandra Klein-Hegge.

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 Davies indicated on line 58 the word “was” missing. She also noted on line 136, her name is misspelled.

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

Receive Finance Commission Recommendations Tracking Report

Commissioner Bester updated the Commission on tracking report items indicating there were no open items at the end of 2021.

Discuss Items for Joint Meeting with City Council

Finance Director Pietrick explained at the last meeting Commissioner Murray brought up the Equities Investment section that was in the Investment Policy that went to the Council on April 13, 2020 and the City Council struck that section. In order to make that a work item the Commission has to ask the Council to reconsider. A joint Commission/Council meeting is scheduled for February 14, 2022 to discuss this and any other items.

47 Ms. Pietrick indicated Commissioner Bester sent out a calculation he had done which could be
48 included in the report to the Council, along with Commissioner Murray's handouts. She
49 reviewed State Statutes with the Commission on investible funds allowed.

50

51 Commissioner Murray asked what Ms. Pietrick's position was on this issue.

52

53 Ms. Pietrick explained she believed in policies containing every option available but does not
54 necessarily mean she is going to invest one hundred percent of what is the maximum allowed
55 because right now she has everything invested that she possibly can. She indicated she would
56 start small and any interest earnings would go into the Capital Improvement program because
57 that is what funds would be invested in this type of investment.

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59 Commissioner Bester asked what a typical return was on the rest of the portfolio.

60

61 Ms. Pietrick indicated staff is still working on year end.

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63 Commissioner Bester reviewed the workbook he sent out to the Commission. He indicated when
64 he put the workbook together he had Councilmember Etten in mind because he was probably the
65 strongest voice against this passing the last time around and the more he started to think about it
66 he had to credit Commissioner Murray for his pushing this issue. He thought it was a pretty
67 conservative position. He wondered if there was enough at 1.5 million to really fool around with
68 and the fact that other cities for the most part do not do this kind of concerns him.

69

70 Ms. Pietrick indicated that kind of concerned her as well. The only City she could find was
71 Woodbury and she talked to the Finance Director there before he retired and they had one
72 specific Capital project fund that they were able to invest long term. She noted Woodbury
73 entered it cautiously, minimally because their investment is two percent of their total portfolio
74 and their total portfolio is four times the size of Roseville's. She explained if the City Council
75 reconsidered doing this she would consider doing this on a trial basis. If it does not yield results
76 she would move investments elsewhere but right now there are not a lot of high yield options out
77 there.

78

79 Commissioner Murray explained when looking at the S&P Commissioner Bester had in his
80 workbook there was a three-year period in the last forty years that there were down markets but
81 over a ten-year period he thought everything came up positive. He indicated the City would need
82 to commit for a while to see results.

83

84 Ms. Pietrick agreed and explained that the Council also needs to support the fact that there could
85 potentially be losses.

86

87 Commissioner Murray indicated over time the City should come out considerably ahead over
88 time.

89

90

91 Commissioner Murray asked if Ms. Pietrick has talked to the League of Minnesota Cities
92 because they also invest.

93
94 Ms. Pietrick indicated that she has not and believe most of their money is with the State
95 Investment Board.

96
97 Chair Davies asked if the fees would increase by having to go through the State Investment
98 Board.

99
100 Ms. Pietrick indicated it would increase slightly. The Statute very clearly outlines a process. At
101 this point, if the Council were to agree to revisiting this in the Investment Policy, then she would
102 rewrite the section in a simpler fashion than the previous section- to basically state according to
103 Statute 118a-09, which outlines how and then before any investing could occur the City Council
104 would have to adopt a Resolution. She assumed the Commission is going to ask the Council to
105 reconsider this and add it to the policy.

106
107 Commissioner Murray thought if Ms. Pietrick was onboard with it then the Commission would
108 like to request it of the Council but if Ms. Pietrick is not onboard with it he suggested the
109 Commission table this.

110
111 Chair Davies thought it would be important to emphasis to the Council that having a negative
112 return in a year or even two does not mean that it does not work and is not a good idea, it is the
113 nature of the investment and why it is used for funds that are not needed short term. She thought
114 maybe the Council did not get all of that education of when equity investments are appropriate.

115
116 Commissioner Bester indicated it surprised him that Councilmember Etten was the one against
117 this because he is extremely intelligent and it would surprise him if Councilmember Etten did not
118 understand this.

119
120 Ms. Pietrick indicated there was reluctance from the rest of the Council as well. She indicated the
121 Commission needs the Council to be receptive to considering the investment policy revision
122 before the Commission could work on it.

123
124 Chair Davies thought the joint meeting is a good time to present the arguments and the data and
125 get their sense of whether it would be a possibility of bringing the item back for consideration.
126 She indicated she is in favor of discussing it at the joint meeting.

127
128 Commissioner Murray thought he could go through his presentation and scale it back for
129 presentation to the City Council.

130
131 Ms. Pietrick reviewed other topics to bring up to the City Council such as the Campus
132 Masterplan. She asked if there were any other topics the Commission wanted to discuss with the
133 Council at the meeting.

134

135 Commissioner Murray asked if the Commission needed to make a motion officially
136 recommending the Investment Plan in order to bring it forward to the City Council.
137

138 Ms. Pietrick indicated she could bring back some different language at the next Finance
139 Commission meeting for a motion.
140

141 Chair Davies thought another topic to discuss at the joint meeting could be the utility rates. The
142 Council chose not to accept the recommendations of the consultant in terms of equalizing the
143 share paid by commercial versus residential which the Commission had affirmed the consultant's
144 recommendation. She would be interested in hearing the Council's reasoning and why the
145 Council chose not to accept that if the Council had intentions in the future to maybe ease into it.
146 She was curious why the Council did not accept the recommendation.
147

148 Ms. Pietrick explained the Public Works Commission endorsed one option and the Finance
149 Commission endorsed the other option and to implement the study, the Council went with the
150 lesser of the two. Staff is actually hiring Ehlers to come in and do an update to verify that the
151 options are working and to perhaps look at the usage versus who is paying for it. Staff is also
152 going to have Ehlers look at the Sanitary Sewer Fund which was not reviewed last time and take
153 a look at those rates.
154

155 Commissioner Sagisser wondered if some time should be set aside at the joint meeting for Sales
156 Tax discussion in case the Commission is expected to give a recommendation.
157

158 The Commission agreed.
159

160 **Staff Update and Identify Discussion Items for the Future Meetings**

161

162 Finance Director Pietrick updated the Commission on the next phase of the City Campus Master
163 Plan and Emerald Ash Borer (EAB) best value contract. She also noted Parks and Recreation did
164 sign Granite City to a contract to provide food, beverage and catering services at Cedarholm Golf
165 Course and Community Building. Bids are being solicited on the OVAL project that is being
166 funded with State Bonding and the bids are due at the end of January. She reviewed the local
167 sales tax option being proposed for the City Council approval.
168

169 Commissioner Murray indicated he saw that the City signed a resolution banning Conversion
170 Therapy and he wondered if the Finance Commission looks at Ordinances, Resolutions and
171 Policies for the potential of somebody challenges things like this and bring it before the Supreme
172 Court.
173

174 Ms. Pietrick explained the City Attorney looks at these.
175

176 Commissioner Murray asked if the City Attorney has been successful at handling these things
177 because he has seen some situations where it ends up feeding the attorney's and it gets to be a
178 very expensive situation.
179

180 Ms. Pietrick indicated she did not know a lot about that but the City Attorney does review all
181 Ordinance changes as well as Resolutions and Policy changes.

182

183 Commissioner Bester expected there will be some sort of a bond to cover the Campus Master
184 Plan and wondered if the City could receive a large bond and draw on it in pieces. He wondered
185 how it would be approached.

186

187 Ms. Pietrick indicated the City would do multiple bonds for the different phases of the Master
188 Plan. She reviewed the process with the Commission.

189

190 Ms. Pietrick stated upcoming future agenda would include discussions on the local Sales Tax
191 option, possible facilities tour of the ice arena and Park and Recreation Department was
192 discussed, and review Campus Master Plan phases at some point this year.

193

194 Chair Davies indicated she will not be at the February 8th Finance Commission meeting but will
195 be at the joint Council meeting.

196

197

198 **Adjourn**

199

200 Commissioner Murray made a motion, seconded by Commissioner Davies to adjourn. The
201 **motion passed unanimously.**

202

203 Meeting adjourned at 7:35 p.m.