

Memo

To: Roseville Finance Commission
From: Michelle Pietrick, Finance Director
Date: February 8, 2022
Re: Item #5 – Finalize items for discussion at a Joint meeting with City Council.

Background

The Finance Commission has a joint meeting with the City Council on February 14, 2022, 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.

The last joint meeting with the City Council was on April 26, 2021. Since that time, the Finance Commission has completed the following work items:

- Reviewed 2020 Audit reports
- Reviewed EDA Loan Programs and Community Development Building Fees
- Reviewed Recycling RFP results
- Reviewed and made recommendations on the 2022-2041 Capital Improvement Plan
- Reviewed and recommended cash reserve level policy changes
- Received an overview of the Finance Department and Antennae Leases
- Reviewed and made recommendations on the 2022 Budget, Tax Levy, and Utility Rates
- Toured the Maintenance Facility
- Reviewed Park Dedication fees

The commission had recommended adding equities investment option to the Investment Policy and the City Council removed this option at their meeting on April 13, 2020. The Finance Commission has asked that this be reconsidered. The main discussion point at the joint meeting with the City Council is to ask them to reconsider and if the Council chooses to reconsider, a revised Investment Policy will be brought back at a later meeting.

The Finance Commission is asked to identify any other specific topics to discuss with the City Council. In addition, identify who will be presenting the topics at the joint meeting scheduled for February 14, 2022.

Staff Recommendation

Not applicable

Requested Commission Action

Finalize topics and presenters at a Joint City Council-Finance Commission meeting.

Prepared by: Michelle Pietrick, Finance Director
Attachments: A: Investment estimates from Bruce Bester

City of Roseville
Compare Potential Growth of Invested Funds \$1,500,000

	EOY - Year 1	2	3	4	5	6	7	8	9	EOY - Year 10
1,500,000										
Interest @2%	1,530,000	1,530,000	1,530,000	1,530,000	1,530,000	1,530,000	1,530,000	1,530,000	1,530,000	1,530,000
Growth at 7%	1,605,000	1,605,000	1,605,000	1,605,000	1,605,000	1,605,000	1,605,000	1,605,000	1,605,000	1,605,000
Cumulative Expected Difference	75,000	150,000	225,000	300,000	375,000	450,000	525,000	600,000	675,000	750,000
1,500,000										
Interest @2%	1,530,000	1,530,000	1,530,000	1,530,000	1,530,000	1,530,000	1,530,000	1,530,000	1,530,000	1,530,000
Growth at 10%	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000
Cumulative Expected Difference	120,000	240,000	360,000	480,000	600,000	720,000	840,000	960,000	1,080,000	1,200,000

History of S&P 500 Index Values

	Closing Value	Annual Change	
12/31/2021	4,726	25.8%	
12/31/2020	3,756	16.2%	
12/31/2019	3,231	28.9%	
12/31/2018	2,507	-6.2%	
12/31/2017	2,674	19.4%	
12/31/2016	2,239	9.5%	
12/31/2015	2,044	-0.7%	
12/31/2014	2,059	11.4%	
12/31/2013	1,848	29.6%	
12/31/2012	1,426	13.4%	
12/31/2011	1,258	0.0%	
12/31/2010	1,258	12.8%	
12/31/2009	1,115	23.5%	
12/31/2008	903	-38.5%	
12/31/2007	1,468	3.5%	
12/31/2006	1,418	13.6%	
12/31/2005	1,248	3.0%	
12/31/2004	1,212	9.0%	
12/31/2003	1,112	26.4%	
12/31/2002	880	-23.3%	
12/31/2001	1,148	-13.0%	
12/31/2000	1,320	-10.1%	
12/31/1999	1,469	19.5%	
12/31/1998	1,229	26.7%	
12/31/1997	970	30.9%	
12/31/1996	741	20.3%	
12/31/1995	616	34.2%	
12/31/1994	459	-1.5%	
12/31/1993	466	6.9%	
12/31/1992	436	4.6%	
12/31/1991	417	26.4%	
12/31/1990	330	-6.5%	
12/31/1989	353	27.0%	
12/31/1988	278	12.6%	
12/31/1987	247	2.1%	
12/31/1986	242	14.7%	
12/31/1985	211	26.3%	
12/31/1984	167	1.2%	
12/31/1983	165	17.0%	
12/31/1982	141	14.6%	
12/31/1981	123		

Average annual change 10.8%

# of up years	31	77.5%
# of down years	8	20.0%
# of no change	1	2.5%
	<u>40</u>	<u>100.0%</u>