

Memo

To: Roseville Finance Commission
From: Michelle Pietrick, Finance Director
Date: July 12, 2022
Re: Item #3: Approve the Minutes from the May 10 and June 14, 2022 Meetings

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 May 10 and June 14, 2022 meetings. 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 May 10 and June 14, 2022 meetings.

Prepared by: Michelle Pietrick, Finance Director
Attachments: A: Draft Minutes from the May 10, 2022 Finance Commission Meeting
B: Draft Minutes from the June 14, 2022 Finance Commission Meeting

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**Finance Commission
Meeting Minutes
DRAFT – May 10, 2022 - DRAFT**

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5:30-6:15 Finance Commission members Barclay, Bester, Dahir and Davies toured the Ice Oval prior to the start of the Commission meeting.

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Roll Call/Announcements

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

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Commissioners Present: Siafa Barclay, Bruce Bester, Wanda Davies, John Murray, and Sadiq Dahir

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Commissioners Absent: Sandra Klein-Hegge, and Dan Sagisser.

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Staff Present: Finance Director Michelle Pietrick, and Police Chief Erika Scheider

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Receive Public Comments

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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.

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Discussion with Chief of Police – Staffing, Forfeitures, Collaborations

Chief Erika Scheider was present at the meeting to address a number of certain areas of policing which the Commission had questions on, some include:

- Recruitment and how Roseville compares to other cities
- Future staffing needs
- How the department works with the Sheriff's Department
- Impact of housing development on department work load
- Overview of forfeiture accounts

Chair Davies noted the Commission had some questions regarding the Police Department budget and if Chief Scheider felt it was adequate. She wondered if Chief Scheider felt like the Police Department was receiving enough funds to get the work done.

Chief Scheider thanked the City for the support and for a few years the Police Department was feeling like it was getting behind as far as staffing because it was seeing the call loads and complexity of the case going up, just the demand on the officers and investigations. She indicated the adding of three officers has made a huge impact to the department. The big thing

47 that came out of the increases was that the department was able to add the Community Action
48 Team. That was a new team that the department would not have been able to add without those
49 additional officers.

50

51 Chief Scheider reviewed with the Commission how the additional officers are being deployed
52 and how the Community Action Team works in the community.

53

54 Chair Davies asked what kind of experience do the people on the Community Action Team have.

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56 Chief Scheider explained everyone on the team are experienced patrol officers that were selected
57 for the team and have certain expertise. She reviewed the different roles of the Community
58 Action Team and how the team works together using their own expertise.

59

60 Commissioner Dahir asked if the officers on the Community Action Team were sought after
61 what happened in 2020 or is this something that Roseville has been doing.

62

63 Chief Scheider thought it came about with the call load going up and the complexity of the cases
64 increasing. She noted there are a lot of issues, whether it is chemical addiction or abuse and a lot
65 of the cases have a lot of history associated with them and cannot be solved in ten minutes police
66 response which is where the team came in. She thought what really drove it was when the
67 department started to see mental health calls increasing which has been going on for at least ten
68 years. She indicated that when she started twenty-five years ago there were not that many mental
69 health calls but within the last ten years it has really increased so she felt a special team was
70 needed.

71

72 Chair Davies asked if the department has had a problem getting enough officers.

73

74 Chief Scheider indicated recruitment and retention is a real concern across Minnesota and the
75 Country. She explained when she started there were hundreds of people that signed up for one
76 job and now what is being seen is twenty to thirty people applying, which is not a lot. Across the
77 Country there are a lot more officers retiring and retiring early, a lot more officers are leaving the
78 profession and move into other careers so every department is struggling to fill the ranks. She
79 indicated this is not a Roseville problem, this is happening across the State. She explained the
80 department is doing a lot of proactive things around recruitment and retention and in February
81 the department rolled out a formal recruitment and retention program with support from the City
82 Manager and City Council. The department is doing some hiring bonuses and was one of the first
83 agencies to do those. What the department is finding is that people are not going to come to
84 Roseville just for the hiring bonus but when looking at sixty jobs, Roseville's stands out and is
85 getting people in the door.

86

87 Chair Davies asked if the compensation the Police Department is able to offer competitive.

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89 Chief Scheider explained in December all of the Union contracts were negotiated and she felt the
90 City did a really good job of offering a fair rate and she thought it was a really good contract that
91 they were able to come up with. What the department is starting to see that is concerning is cities

92 that are having trouble with recruiting and retention are going back and renegotiating and some
93 agencies are giving ten to fifteen percent increases. If someone asked her in December if it was a
94 great contract she would have said yes and put Roseville right in line with a lot of the other
95 Metro agencies but that is one of the trends that they are starting to see other departments offer a
96 ten percent increase just because those departments cannot get officers to come work for them.
97 She noted she will need to keep an eye on that and bring forward recommendations if that
98 continues to be the trend.

99

100 Commissioner Murray asked if an officer gets sued is there an insurance bond through the Union
101 that covers the officer's defense.

102

103 Chief Scheider explained it would depend, if the officer is an employee, they will have Union
104 representation. The Union offers a legal defense fund and then the City is usually named in the
105 lawsuit as well so there is also the City Attorney involved.

106

107 Commissioner Murray asked if that went through the appeal.

108

109 Chief Scheider indicated it does.

110

111 Chair Davies asked if the Police Department is ready and staffed adequately for the increase in
112 population in Roseville with more housing units being added.

113

114 Chief Scheider explained that is something the department has been talking with Community
115 Development, the Fire Department and everyone in the City because it not only affects public
116 safety but that many more resident's impacts all of the services and delivery. The conversations
117 are ongoing and everyone is trying to anticipate what the call load will look like for the Police
118 Department.

119

120 Commissioner Murray asked what the status is on the forfeiture funds.

121

122 Chief Scheider indicated each year the Police Department does a presentation to the City Council
123 that summarizes all of the forfeiture accounts. She explained the information is in the March
124 Council packet if the Commission would like to review them. She also reviewed the forfeiture
125 accounts with the Commission.

126

127 Commissioner Murray asked if the forfeiture account balances have been trending down or have
128 they been climbing.

129

130 Chief Scheider indicated over the past several years with COVID the funds have been staying
131 about the same without any large expenditures.

132

133 Commissioner Murray asked what other issues are the Police Chief is concerned with.

134

135 Chief Scheider explained there are a lot of them. Obviously, there is recruitment and retention
136 and something the Chief's in the State are pushing for. She indicated there is a list of Legislative

137 priorities that she could get the Commission. She reviewed the push to tighten up the penalties
138 for catalytic converter thefts as well as Officer wellness and carjacking. She indicated the most
139 concerning thing the department has seen is the violent crime. Gun violence and the number of
140 guns the Police Department is recovering is very concerning. She indicated this is not unique to
141 Roseville and is Statewide and everyone is concerned with the increase in violent crimes.

142
143 Commissioner Murray asked if the costs for policing in Roseville are higher or lower than in St.
144 Paul, Ramsey County Sheriff or somewhere else. He indicated his question was in regard to a
145 community comment about subcontracting out the policing to Ramsey County and getting rid of
146 the Police Department in Roseville. He asked if there is any cost advantage to subcontracting this
147 out. He noted he did not see one.

148
149 Chief Scheider explained she did not know how Roseville would compare to other agencies. She
150 indicated when subcontracting out to other agencies the City does not have the control. Right
151 now it is the City leaders that determine the direction the Police Department goes and the City
152 Manager makes sure she is carrying it out. She indicated she did not know what Falcon Heights
153 pays the Sheriff's Office for service or what level of service that city is paying for because there
154 are different levels of service.

155
156 Chair Davies thanked Chief Scheider for taking the time to come to the meeting and answer
157 questions.

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160 **Approval of Meeting Minutes**

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162 Commissioner Bester moved, seconded by Commissioner Murray to approve the April 12, 2022
163 meeting minutes as presented. **The motion carried unanimously.**

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166 **Receive Finance Commission Recommendations Tracking Report**

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168 Commissioner Bester reviewed changes to the Tracking report.

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171 **Discussion on Options Regarding Internal Loan**

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173 Finance Director Pietrick stated the Commission is asked to discuss alternatives for addressing
174 the remaining interfund loan balance. She noted the internal loan has a remaining balance of
175 \$266,828.70.

176
177 Chair Davies asked if the original plan was that the profit from the License Center would pay off
178 this loan.

179

180 Ms. Pietrick indicated that was not the plan. She indicated the License Center has been paying
181 rent to the fund but she did not see any evidence that profit from the License Center was going to
182 repay this loan.

183
184 Commissioner Bester asked if rents from the License Center provide enough cash flow to cover
185 the expenses.

186
187 Ms. Pietrick indicated it did at this time but not enough to pay the loan. She reviewed some
188 options with the Commission including:

- 189
- 190 • Transferring funds from the Excess Cash Reserve fund to the PMP fund
 - 191 • Transferring funds from the General Fund to the PMP fund
 - 192 • Start increasing taxes to repay the internal loan which would then transition to PMP
193 funding
 - 194 • Do nothing until the PMP fund needs the cash.

195
196 Ms. Pietrick indicated she would not recommend option three.

197
198 Commissioner Bester thanked Ms. Pietrick for bringing this forward. He would recommend
199 option four, the City can carry the balance for some time as a majority of the loan has paid off.

200
201 Chair Davies wondered why, when there is excess in the Shopping Center fund, why that does
202 not go to pay this off, pay it down.

203
204 Ms. Pietrick indicated the reason why is that there is not that much excess in that fund. The City
205 has lost one or two tenants there. She explained she could look at that fund again but the last time
206 she looked it has maybe a half month of operating costs.

207
208 Chair Davies indicated with all of the visioning going on around the Campus expansion, do those
209 proposals include the shopping center.

210
211 Ms. Pietrick indicated the vision involves demolition of the shopping center. The Campus Master
212 Plan shows the maintenance facility going on that property. She reviewed the Campus Master
213 Plan with where the License Center and VFW are proposed to go.

214
215 Chair Davies thought the loan could just sit there and paying off the loan could be a part of the
216 expansion. She asked Ms. Pietrick what she recommends because the staff report indicates staff
217 would recommend any of the alternatives other than the do-nothing option, option four.

218
219 Ms. Pietrick explained she would be fine with doing nothing but would not recommend option
220 three, increasing taxes to repay it. It has been sitting there for four years and the PMP Fund will
221 not run out of funds for approximately ten years. She reviewed the various options with the
222 Commission.

223

224 Commissioner Murray agreed that nothing should be done until it is clear what is going to
225 happen across the road. It seems it would be a part of the cost of the whole project.

226
227 Commissioner Bester explained he would be ok with either recommendation one, two or four,
228 with four being his first preference.

229
230 Ms. Pietrick indicated she thought the City could go with recommendation four and see where
231 the project goes. Right now, Pavement Management is healthy and will not run out of cash and if
232 she has some freed-up resources that she can invest, this was the fund she was looking at
233 investing for.

234
235 Chair Davies asked if the Commission needed to make a motion to do nothing on this item.

236
237 Commissioner Murray thought this item could go on the Tracking report and bring it up again in
238 six months to see where it is standing.

239
240 Ms. Pietrick thought that was a good idea because that will give the Commission a chance to
241 look at the CIP sheets and go through the budget process as well.

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244 **Staff Update**

245
246 Ms. Pietrick explained the Investment Policy was approved by the City Council and the new
247 Assistant Finance Director will be starting May 23rd.

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250 **Identify Discussion Items for the Future Meetings**

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- 252 • June meeting review 2021 Audit Reports
- 253 • June meeting first look at the 2023-2042 Capital Improvement Plan Review
- 254 • June meeting CIP Policy review and discussion
- 255 • November meeting look at the Internal Loan balance

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258 **Adjourn**

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260 Commissioner Bester made a motion, seconded by Commissioner Murray to adjourn. The
261 motion passed unanimously.

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263 Meeting adjourned at 7:41 p.m.

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**Finance Commission
Meeting Minutes
DRAFT – June 14, 2022 - DRAFT**

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Roll Call/Announcements

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

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Commissioners Present: Bruce Bester, Dan Sagisser and Sadiq Dahir

Commissioners Absent: Siafa Barclay, Wanda Davies Sandra Klein-Hegge, and John
Murray

Staff Present: Finance Director Michelle Pietrick

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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.

Auditor Presentation of 2021 Audit Reports

Ms. Rebecca Petersen, Director at Redpath and Company, presented the 2021 audit report to the
Commission. She reviewed the information with the Commission and asked if there were any
questions.

The Commission did not have any questions.

Approval of Meeting Minutes

Vice-Chair Sagisser indicated there were not enough Commission Members in attendance to
approve the minutes for the May 10, 2022 meeting. He requested this be moved to the July
meeting for approval.

Commissioner Bester thought the tour of the OVAL should be included in the minutes.

Commissioner Bester thought the conversation with the Police Chief was excellent.

Vice-Chair Sagisser agreed and indicated he read the meeting notes and was able to follow them.
He thought it was very well written.

Ms. Pietrick indicated she will bring back the meeting minutes to the next meeting for approval.

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Receive Finance Commission Recommendations Tracking Report

Commissioner Bester updated the Commission on the progress of items on the Tracking report.

Review Capital Investment Policy

Finance Director Pietrick updated the Commission on the Capital Investment Policy. She noted the policy was last updated in 2019.

Vice Chair Sagisser asked if there was a replacement for how much the cash reserve should remain at for the Street Fund.

Ms. Pietrick indicated there is not. The fund is currently supported by levy and Municipal State Aid (MSA) dollars. If the City has a street project that is on an MSA road the City receives dollars. The fund is currently running around five million dollars for a fund balance. She explained as long as the fund can cover the next ten years’ worth of projects and the fund is analyzed yearly, that seems like reasonable reserves.

Vice-Chair Sagisser thought previously the discussion was around making sure the street reserve fund was well financed for a long time so it should be left alone. He noted he did not remember a lot of the details of the conversation but he would be interested to see what the rest of the Commission thinks about that. His opinion is that the desire was to keep at least some reserve and to make sure it is funded out ten years. He would like to change the language to reflect that.

Commissioner Dahir asked what the ideal amount of money staff would like to have in the fund reserve. He wondered if this should be a set amount or set to a number of years.

Ms. Pietrick thought the years would be preferable, simply because the City has no idea what costs will be in the future and even with a ten year plan the most reliable number and projects are in years one through five. This is kind of two-fold because staff does examine all of the Capital Funds each year and last year some changes were made to the tax levy. She thought using the years rather than the dollar amount is better because the further out this goes the less is known what a dollar will cover.

Commissioner Bester asked if staff was working harder than needed by having that extra ten years to go out to twenty years with questionable values.

Ms. Pietrick indicated it helps to start seeing potential areas where funding will be needed. Last year was the first year the City Manager and herself sat down with all of the CIP funds and really examined every fund, looking at the chart, and where the fund balance was going to go negative they explored options with the tax levy and brought forward a list of funds that would need help in the short term and the goal was to get the funds positive through ten years, if not longer. This helps to get a handle on what might be happening down the road.

92
93 Commissioner Bester thought this plan was terrific.

94
95 Ms. Pietrick continued with the policy review. She recommended increasing the Capital Assets
96 definition to ten thousand dollars or more from five thousand or more. She noted this
97 corresponds with the City’s purchasing threshold.

98
99 The Commission agreed.

100
101 Ms. Pietrick reviewed the Enterprise Fund definition with the Commission. She noted the
102 Enterprise funds are not all one hundred percent fee supported. The golf course gets transfers in.
103 The change would be from “one hundred percent” to “primarily”. She explained this was the
104 first discussion on the policy and can be brought back to the next meeting for further discussion
105 when more Commissioners are present.

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107 The Commissioners concurred.

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110 **Review Draft 2023-2042 Capital Improvement Plan & Tentative Funding Strategies**

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112 Finance Director Pietrick reviewed the 2023-2042 draft Capital Improvement Plan and Tentative
113 Funding Strategies with the Commission.

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115 Ms. Pietrick indicated City Manager Trudgeon and herself reviewed this and are proposing the
116 second-year increase of \$200,000 into the Police Vehicle and Equipment Fund. The City did a
117 \$200,000 increase in 2022 with an additional \$200,000 in 2023 and then in 2024 the City would
118 have the levy capacity to pay for the six firefighters. Staff is also recommending some minor
119 increases in the levy support to the Administration Equipment Fund and the Finance Equipment
120 Fund. Staff is proposing a decrease in the Central Services Equipment Fund and a decrease in the
121 IT Equipment Fund for two years. She provided a few charts and reviewed some of the funds
122 with the Commission.

123
124 Commissioner Bester asked in the 2023 budget there is no anticipation for the campus redesign.

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126 Ms. Pietrick indicated that the campus redesign is not yet included in the Capital Improvement
127 Plan. The city currently has a conceptual design and this plan will be refined over the next year
128 or so. As the plan becomes firmed up, the cost of the project will become more concrete. At this
129 time, she anticipates that it will be programmed into the CIP with potential funding sources
130 identified. A project of this nature takes time and needs a lot of discussion on the different parts
131 to the project.

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137 **Staff Update**

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139 Ms. Pietrick indicated she received a phone call from Commission Murray before the meeting
140 and he indicated to her that he was stepping down from the Finance Commission. She explained
141 his term ends March 31, 2023. She reviewed the reason for his resignation.

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143 Ms. Pietrick explained Commissioner Klein-Hegge sent her an email about some health issues
144 that would need to be taken care of in September and asked if she could attend meetings via
145 Zoom or she would have to resign. Ms. Pietrick indicated she reached out to the City Attorney
146 and he explained that Commissioner Klein-Hegge could attend via Zoom only if her home
147 address were posted and make it open to the public under State Statute.

148

149 Vice-Chair Sagisser thought the State Statute needed a post COVID update. He asked if
150 Commissioner Klein-Hegge could resign and then be reappointed later because it takes a couple
151 of months to interview and find another Commissioner. He thought it seemed like an unfortunate
152 reason to lose a Commissioner because of a health issue.

153

154 Ms. Pietrick indicated she would explore that idea if Commissioner Klein-Hegge was in support
155 of that.

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158 **Identify Discussion Items for the Future Meeting**

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160 Vice-Chair Sagisser stated the next agenda would include discussions on 2023-2042 Capital
161 Improvement Plan and the Capital Improvement Plan Policy review number two and approval of
162 the May 10, 2022 meeting minutes.

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164 Ms. Pietrick noted the August meeting has been adjusted to a Wednesday, later in the month and
165 the Commission will be reviewing the City Manager recommended budget tax levy. She also
166 reviewed the September-November possible agenda items with the Commission.

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168

169 **Adjourn**

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171 Commissioner Dahir made a motion, seconded by Commissioner Bester to adjourn. The motion
172 passed unanimously.

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174 Meeting adjourned at 7:34 p.m.