

# Memo

**To:** Roseville Finance Commission  
**From:** Michelle Pietrick, Finance Director  
**Date:** September 13, 2022  
**Re:** Item #3: Approve the Minutes from the August 24, 2022 Meetings

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## **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 August 24, 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 August 24, 2022 meeting.

Prepared by: Michelle Pietrick, Finance Director  
Attachments: A: Draft Minutes from the August 24, 2022 Finance Commission Meeting

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**Finance Commission  
Meeting Minutes  
DRAFT – August 24, 2022 - DRAFT**

**Roll Call/Announcements**

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

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

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

**Staff Present:** Finance Director Michelle Pietrick and City Manager Patrick Trudgeon.

**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**

Commissioner Bester moved, seconded by Commissioner Barclay, to approve the July 12, 2022 meeting minutes as amended. **The motion carried unanimously.**

**Receive Finance Commission Recommendations Tracking Report**

Commissioner Bester reviewed the Finance Commission tracking report items.

**Receive and Discuss the 2023 City Manager Recommended Budget and Tax Levy**

City Manager Patrick Trudgeon reviewed the 2023 City Manager recommended budget and tax levy that was presented to the City Council.

Chair Davies indicated the union contract is not based on the CPI and wondered where the three percent increase was coming from.

Mr. Trudgeon explained he wanted to be careful that they did not automatically go with the CPI because it is just a reference point the Council likes to use. Usually, the union contract looks at comparable cities and often times there is one main union covering all of the municipalities. He

47 noted there is a greater understanding of what others are paying and what they ask for and that is  
48 part of negotiation at that point. He explained that all of the City's unions are under contract  
49 through 2023 with a couple going through 2024 and every few years, union contracts are  
50 negotiated. He continued with his presentation of the 2023 City Manager recommended budget  
51 and tax levy.

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53 Chair Davies indicated she had a question about the Digital Media Specialist going from three  
54 quarters to full time with some of the \$42,000 total from the fund and some from the tax levy.  
55 She asked if that person was making roughly \$130,000 right now and will increase it by a third  
56 to make it \$142,000.

57  
58 Mr. Trudgeon explained that was not correct. Right now, that position is funded in the 2022  
59 budget for thirty hours a week at \$25 an hour and with a limited term employee when it was  
60 added. Now, the City is looking at this as a permanent position, in a sense that it will be a full-  
61 time employee with benefits. Levy dollars were already put in last year, \$50,000 to pay for this  
62 so if salary and benefits are factored in, it will get closer to \$92,000. He stated the salary will be  
63 somewhere in the upper \$60,000 to \$70,000. Mr. Trudgeon continued with his presentation on  
64 investment in maintaining City programs and workforce.

65  
66 Commissioner Murray asked what kind of background does a Sustainability Expert have to have.

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68 Mr. Trudgeon explained someone who has an environmental studies degree, most likely or some  
69 background in engineering.

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71 Commissioner Murray asked who would this person report to if they found something that was  
72 not done right.

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74 Mr. Trudgeon explained the person would be reporting to the Public Works Department,  
75 Engineering Department specifically, and would help with the recycling and storm water projects  
76 as well as some other initiatives such as solar gardens for the community, and information  
77 sharing for people that are interested in environmental and sustainable things. He noted the City  
78 is looking at doing organic recycling down the road, all those types of initiatives. This person  
79 would do a wide variety of things and report to the Public Works Director, him, and eventually  
80 the City Council. He stated there would be a carefully thought-out work plan for this position,  
81 noting that a lot of this is already being done through the internship and grants the City has  
82 received over the years.

83  
84 Mr. Trudgeon reviewed the strategic use of reserves and grant funding with the Commission and  
85 summarized the upcoming next steps.

86  
87 Chair Davies indicated there were a number of pages with funds where the ending fund balance  
88 did not show up as the beginning fund balance for the next year.

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90 Ms. Pietrick indicated she will take a look at that.

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92 Commissioner Murray asked if inflationary costs go up will the amount be taken out of the Cash  
93 Reserve fund.

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95 Mr. Trudgeon indicated the City would for fuel, specifically.

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97 Commissioner Murray asked if money would be taken out for other things as well.

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99 Mr. Trudgeon explained that typically that is what drives the levy increase.

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101 Commissioner Murray explained this is not going to be a normal year and there will be a lot of  
102 inflationary costs and he wondered how the City is going to cover them.

103

104 Mr. Trudgeon explained staff is using a combination of levy increases as well as using grant  
105 dollars and the use of reserves where they can to help soften that blow for this year, knowing that  
106 grants run out.

107

108 Chair Davies indicated the City cannot do a levy increase for this year.

109

110 Ms. Pietrick indicated that was correct.

111

112 Mr. Trudgeon explained for this year the levy is set. Staff will have to reconcile that budget at  
113 the end of the year and if over budget, a budget amendment can be made that uses reserves.

114

115 Commissioner Murray wondered how big the City's reserves were now.

116

117 Mr. Trudgeon explained the General Fund sits at around \$8 to \$9 million dollars.

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119 Chair Davies noted that the General Fund is up \$2.5 million since 2019.

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121 Ms. Pietrick explained that was intentional because prior to 2019, the City used reserves to cover  
122 operations and the General Fund itself was below the 35 percent minimum.

123

124 Chair Davies asked if staff felt that 2022 was going to end up in a deficit relative to the budget.

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126 Ms. Pietrick stated she hoped not. She explained there was a lot of turnover in various  
127 departments, more than she has encountered in her experience elsewhere. But, it takes time to  
128 fill those jobs so there are some savings on the personnel side. It is not occurring in every  
129 department but the City is seeing people leave for other opportunities elsewhere. Also, the  
130 supply chain is interesting. She noted the City ordered the 2021 City plow trucks that were  
131 delivered ten months after they were ordered and staff is actually in the process of getting  
132 Council approval to order the 2023 vehicles that are in the CIP plan, hoping they arrive in 2023.  
133 Staff builds a budget with the best estimates possible but the City does not pay for the product  
134 until it arrives and that can cause some fluctuations. The City also has budgeted for full  
135 employment.

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137 Commissioner Bester indicated the golf course financial summary also has some problems.

138

139 Ms. Pietrick indicated she will look at all of the spreadsheets for inconsistencies and issues.

140

141 Chair Davies asked staff to review how it plans on getting the water and sewer funds out of the  
142 red.

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144 Ms. Pietrick indicated the sewer fund is not in the red. She reviewed the steps the City will be  
145 taking to help the water fund. She noted another thing she will be recommending is that the City  
146 does not base this on one quarter's usage. Averages should be used. Also, there could be  
147 fluctuations from one quarter to the next that the City cannot control.

148

149 Commissioner Bester presented his budget observations and suggestions to staff and the other  
150 Commissioners.

151

152 Mr. Trudgeon asked if Commissioner Bester was taking all of the funds and calculating out what  
153 that net gain is because there are numerous funds that are restricted. He explained the  
154 Community Development Fund can only be used for building permit costs, as well as some of  
155 the other funds like the Utility fund. Grants may offset the use of levy dollars but need to be for  
156 a specific use so he asked if Commissioner Bester's comments factored out all of the restricted  
157 fund accounts.

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159 Commissioner Bester explained the restricted funds were not factored out.

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161 Mr. Trudgeon explained those numbers cannot be used for levy reductions, which is his point.  
162 He noted that maybe Commissioner Bester's suggestion about mapping the funds may leave a  
163 much smaller number, which can actually be utilized for levy reduction and, because they are  
164 restricted, they cannot do it because it is State Law. He indicated those are things they have to  
165 be aware of and maybe there needs to be further discussion on this.

166

167 Ms. Pietrick indicated within the financial statement there are funds that get rolled up, which the  
168 City does not budget for. She explained she could task staff with mapping the 2021 budget and  
169 identifying those funds the City does not budget.

170

171 Chair Davies indicated this item will be reviewed more in the coming months.

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174 **Staff Update**

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176 None.

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

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181 Chair Davies stated the next agenda would include discussions on the Capital Improvement Plan  
182 and budget recommendations.

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184

185 **Adjourn**

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187 Commissioner Murray made a motion, seconded by Commissioner Dahir to adjourn. The  
188 motion passed unanimously.

189

190 Meeting adjourned at 8:20 p.m.