

**Finance Commission  
Meeting Minutes  
August 16, 2018**

**Roll Call/Announcements**

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

**Commissioners Present:** Robin Schroeder, Jack Reif, John Murray, Edwin Hodder, Matt Harold John Bachhuber (arrived at 7:00 p.m.) and Malcolm McRoberts

**Commissioners Absent:** None

**Staff Present:** Finance Director Chris Miller

Finance Director Miller provided an update on recent Council action: Several preliminary information packages from the July 16, 2018 meeting were given to the Council. There was discussion regarding changes in the tax base, some Legislative changes that may have some impacts on the budget. One change would require them to do an increase in the employer share for Police and Fire Pensions which amounts to approximately \$44,000 in the 2019 budget. They discussed the Council's budgetary goals. Some Council's concerns were regarding property taxes. The Council also received the 20-year CIP.

Mr. Miller indicated there will be some remodeling being done at the City Hall. He noted the Willow Room will be repurposed.

Mr. Miller thought the presentation of the City recommended budget was well received. He noted there was not a lot of Council feedback. He noted the Council is awaiting the Finance Commission's guidance and recommendations at the September 17, 2018 joint meeting.

**Approval of Meeting Minutes**

Chair Schroeder asked if there were any changes to the minutes.

Commissioner Reif stated line 99 should be include the word "that" after "things." Also, Line 179 the last word in the sentence, replace "~~him~~", with "This area". Line 207 replace "is," with "are". Line 209 Add "that" after "the challenge is".

Chair Schroder indicated on line 339, it should read "not" instead of "nor".

Commissioner Reif moved, seconded by Commissioner Murray to approve the July 10, 2018 meeting minutes as amended. **The motion carried unanimously.**

### **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.

Commissioner Murray indicated he would like to ask some questions regarding the City audit.

Chair Schroeder indicated she was fine with the request.

Commissioner Murray asked Mr. Miller if the audit is put out for bids.

Mr. Miller stated typically every three years they put it out for bid or they might negotiate another three-year extension on the original bid.

Commissioner Murray asked what the City did the last time they had an audit.

Mr. Miller indicated they went out for bid and this past audit was the first of a three-year contract.

Commissioner Murray asked if they solicited bids or publish for bids.

Mr. Miller stated they do direct contact because there are only a handful of audit firms that have expertise in local government and they only ask for bids from firms with that expertise.

Mr. Murray asked if the City awards the lowest bidder or are there other considerations.

Mr. Miller stated there are other considerations. Cost is the biggest determinate because the audits are fairly standardized. Other things they look at are the companies peer reviews, reference checking is done as well. There are only four or five firms that can-do audits for a City the size of Roseville, so staff gets to know them well.

Mr. Murray asked how this audit firm was chosen.

Mr. Miller stated the firm was the second highest bid but only by a few hundred dollars per year. They were chosen because the City felt it was time to make a change. They felt it was important for public transparency standpoint to have a third audit firm look at their books rather than the same two year after year that have historically been the lowest.

Mr. Murray asked who makes the audit firm recommendation.

Mr. Miller indicated City Staff makes the recommendation to the City Council.

Mr. Murray asked what the audit costs were.

Mr. Miller thought for the last fiscal year they were around \$34,000.

Commissioner Murray was fine with the information he requested.

Chair Schroeder moved to the next agenda item.

### **Receive Finance Commission Recommendations Tracking Report**

Chair Schroeder indicated she watched the last City Council meeting where one of the Councilmembers indicated they should have a tracking report as well.

Commissioner Harold stated the Finance Commission recommendations were submitted to the City Council for review. He noted there are only four recommendations still outstanding.

Commissioner Harold indicated the four recommendations will be reviewed with the City Council.

#### 2019 CIP Recommendations

- a. General Facilities Fund – They were repurposing debt levy in 2019 and requesting the City lobby the Legislature for State funding to help with the Oval.
- b. Park Improvement – Changed their recommendation to align with Staff's. No action for next year but repurposing a portion of the debt levy via 2020.
- c. Pavement Management – Recommending an additional \$160,000 in 2019, as well as in keeping with the endowment nature of the fund. Additional funds as needed in the future to adhere to the Capital Investment Policy.
- d. Pathways and Parking Lot - recommending following the policy of the Pavement Management Fund as an endowment, not to transfer money from the P&P to the Pathways program.

Commissioner Harold indicated this has been added to the tracking and wanted to make sure this reflects their conversations.

The Commission confirmed the recommendations.

Chair Schroeder thought the plan looked good and will be what they want to discuss at the September Joint-Council meeting.

Commissioner Harold noted he has changed the general CIP recommendation so every year they will have a stand-alone recommendation.

Chair Schroeder thought that made sense.

**Discuss Recommendation on the 2019 – 2038 Capital Improvement Plan (CIP)**

Chair Schroeder asked if there was anything Finance Director Miller would like to address before the Commission started reviewing this item.

Mr. Miller reviewed the staff report and indicated there are nine different funding scenarios prepared by Commissioner Harold for the three funds the Commission is talking about that are not there yet as far as financial sustainability.

1. Pavement Management Fund,
2. General Facilities and
3. Park Improvement Fund.

Mr. Miller stated there is a scenario to do nothing; an action of some recommendations the Finance Commission has discussed over the years with an assumption of a two percent interest earnings and another scenario with three percent interest earnings. He stated staff has also come up with two additional funding scenarios which bring the total to eleven different scenarios for the Commission to consider.

He noted the Council will be looking for some guidance as to where the Commission would like to go. He noted the Council would like to see a recommendation from the Commission.

Commissioner Harold thought it might be a good idea to give the Council the “no action” along with the Commission recommendation. He thought for two of the funds it is the Commission recommendation, one with two percent interest earnings and one with three percent interest earnings. In the last few years they have been working with three percent interest earnings but when they have gone through this over the last few months Mr. Miller has been using the reserve earnings of two percent and stated that was more indicative of what they are planning to see in the short term since interest rates have been staying low.

Commissioner Bachhuber arrived at 7:00 p.m.

**Pavement Management Program**

Commissioner Harold reviewed the scenarios with the rest of the Commission. He indicated the no action scenario did not look good over twenty years.

Commissioner McRoberts asked when they look at these, does the historical evidence show the two percent interest as a reasonable prediction. He thought it looked like it was a 1.8 percent increase going forward which works. He thought everything they did was based on assumptions that those are reasonable.

Mr. Miller stated for all of the CIP projections it is a projection of what the needs will be over the next twenty years which what happened in the past can help guide that but, in this case, there

is a modeling software that is used to look at the conditions of the streets and over the next twenty years what the expected replacement schedule for these segments of street. They put everything in current dollars. They do not factor in inflation on the expense side or on the funding side. It is based on what the expected need is based on the condition of the roads as they sit today.

Chair Schroeder stated their initial recommendation is \$160,000 in 2019 and \$120,000 in 2020, she thought those recommendations were made before the knowledge of the expiring bond which will make \$765,000 available. She asked the Commission if they should go with their initial recommendation or do they align with what staff is recommending of \$390,000 in 2020.

Commissioner McRoberts asked if there was any specific reason why the \$160,000 was being increased to \$390,000. He noted they originally discussed a higher number then thought it would be more sensible to expense it over two years.

Mr. Miller stated the \$160,000 stems from a number that was developed several years ago in 2012 and was a number that when staff and the Council looked at it back then it was what was needed to keep the Pavement Management Program where it needed to be. It is a dated number and the Council has been reminded each year that some of those suggestions in 2012 may not be applicable or realistic anymore. He stated when they look at this they are looking to forgo the \$160,000 in 2019 and wait until 2020 when they have some debt coming available and the \$390,000 was the amount allocated to the Park Improvement Program.

Chair Schroeder noted at the time the Commission aligned with what staff recommended.

Commissioner Bachhuber stated he was fine with staff recommendation and thought it would be important for them to forecast to the Council that the need would be to repurpose \$390,000 of the expiring debt to the Pavement Management Program so it is clear it is not available money for other things. He indicated he would be ok with not having an additional levy regarding pavement management in 2019 if they are signaling there needs to be a significant additional levy dedicated to it starting in 2020.

Mr. Miller reviewed previous discussion with the Council and Commission regarding future allocations.

Chair Schroeder asked if the Commission should recommend the two percent or three percent.

Commissioner Harold thought they could use two percent if that is the number staff has been using at this point. It is a conservative look. The only reason to recommend three percent would be to decrease the levy faster in the out years.

Commissioner Murray stated having studied interest rates over the very long term, three percent would be realistic, but two percent would be more conservative.

Commissioner Harold stated he agreed with everything that has been stated and makes sense to align with staff. It is something to note that the fund does dip below the targeted endowment level of \$8 million. This may be something they point out to the Council and something that should be addressed in 2019.

Commissioner Bachhuber moved, seconded by Commissioner Reif to adopt the recommendation labeled discussion item 5, supplement staff recommendation to continue funding by endowment approach at the 2% level, assuming 2 percent interest rate. **The motion carried unanimously.**

### **General Facilities Fund**

Commissioner Harold reviewed the scenarios for General Facilities Fund.

Commissioner Bachhuber asked when looking at a situation like the General Fund, under the scenario where the General Fund would need to be borrowing from somewhere in 2021-2027, is there an assumed loan they should be thinking of or should there be negative earnings showing because the fund is owing money to some other fund.

Mr. Miller stated historically they have not charged internal loans from one fund to another interest, especially if they are both supported by property taxes.

Chair Schroeder noted they would still be paying back the principal and would still have to show up.

Mr. Miller stated that was correct and if they get to that point where they did not get State funding and they had to borrow internally from some other fund to pay for the overall improvements they would identify funds somewhere around that time and provide options for the Council. There is always the opportunity, if things are going well, as far as the functionality of the Oval and if those improvements could be pushed out another year or two, they might not end up being negative in their balances.

Commissioner Hodder stated what if we do get the funding then the graphs would change dramatically, and they could look at reductions.

Mr. Miller stated the graphs are showing no funding at this point, a worst-case scenario. If they get partial or full funding the graphs would change.

Commissioner Reif asked if they have teed up the desire for State funding for this.

Mr. Miller stated they are positioning themselves to do that. The next cycle of bonding money would be in 2020. 2019 would be the year they start to paint a picture and tell a story to some key Legislators and key committee members and start to reintroduce them to the Oval and the fact the City considers it to be a Regional Asset and layout their needs.

Commissioner discussion ensued regarding funds and income derived from them.

Chair Schroeder stated this item is one they have previously recommended without changes to the recommendation, so they do not need to do anything further.

### **Park Improvement Fund**

Commissioner Harold reviewed the Park Improvement Fund scenarios.

There were not any changes to the recommendation.

### **Discuss Recommendations on Establishing A Cash Reserve Fund**

Finance Director Miller stated over the past eighteen months, the Finance Commission has held a number of discussions regarding the establishment of a Cash Reserve Fund. The Commission provided some preliminary feedback on those discussions to the City Council at the joint City Council-Finance Commission on September 18, 2017. After receiving the Commission's preliminary feedback, the Council directed the Commission to continue working on this matter.

Mr. Miller indicated throughout these conversations, two primary benefits have been expressed regarding the creation of a Cash Reserve Fund. They include:

- Having a simpler display of the amount of excess monies within our discretionary operating funds above and beyond what is needed for cash-flow purposes or for meeting the capital replacement needs.
- Knowing the amount of available funds for future purposes such as property tax relief or new programs or initiatives.

Mr. Miller reviewed the information with the Commission and stated as the Commission reflects on the amount of cash reserve the City should maintain, and whether to create a separate Cash Reserve Fund, it is suggested that the considerations discussed be considered. He stated strong levels of cash reserves play a critical role in ensuring that the City's bond rating remains at the AAA category. A rating decline to AA, would have resulted in an estimated \$500,000 in additional interest costs for the bonds recently issued to finance the Park Renewal Program and the new Fire Station.

There was Commission discussion regarding the Communications Fund and impact by residents "cutting the cord" for cable TV along with other funds.

Mr. Miller noted that strong reserve funds help through recessions and rough economic times.

Chair Schroeder stated she asked Mr. Miller to include the other funds and their reserves as well for Commission review because the City Council has talked about the 29 funds and the reserves in each so for reference Mr. Miller included a Capital Fund sheet in the packet.

Mr. Miller stated funds in yellow are restricted funds and money cannot be moved around in those.

Chair Schroeder stated at the September meeting the Commission may be asked to make comments regarding the funds and their opinion on them. If they are Capital Funds they want to make sure they are being funded properly.

Mr. Miller stated in conclusion, the City maintains an Operating Fund Cash Reserve Policy to govern the appropriate level of cash reserves for its day-to-day activities. In establishing this Policy, it was recognized that there are several important roles that cash reserves play including the following:

- Provide cash flow to support operations in between revenue collection periods.
- Provide interest earnings to fund current operations in lieu of higher property taxes or fees
- Address unforeseen circumstances including loss of revenue sources or unexpected expenditures
- Provide for future capital expenditures
- Strengthen overall financial condition and bond (credit) rating.

As the Commission reflects on the amount of cash reserves the City should maintain, and whether to create a separate Cash Reserve Fund, it is suggested that these considerations be taken into account.

The Commission discussed general account sweeps of the Capital fund accounts.

Commissioner Bachhuber thought one of the challenges the City is facing for the coming year is they have been using General Account Cash Reserves to help prop up the budget for the last few years and that has been ok except now that they are trying to ween themselves off of it over a three-year period they are in a situation where they levy may have to increase by an uncomfortable amount.

Chair Schroeder asked on staff pages 10-12 regarding the bond rating, six percent is based on the strength of the cash reserves. She wondered if that was on the total including all the reserves.

Mr. Miller indicated all the reserves are looked at but there are a couple spots where they look more intently. The General Fund receives the most attention from the Bond Rating Agencies. That is the first place and the last place they will look. He stated if there was one fund a City wants to show strength in it is the General Fund.

Commissioner Harold asked if instead of creating a separate fund they sweep everything to the General Fund. He thought it was a fund they could use on whatever they want. The Council has discretion in terms of its use. If that is the key fund that is important to have healthy and a fund the City is flexible in terms of spending money out of. The Council would be aware that anything above the General Reserve level in the General Fund could be used for other things.

Mr. Miller stated if they do not state where the money is sitting it will go to the General Fund. If they do nothing by default that is where it will go.

Chair Schroeder thought the Council wanted to make it clear what was the amount because she thought it has been going into the General Fund but has not been as obvious to the Council.

Mr. Miller stated it has not been going to the General Fund, it has been sitting in the individual funds. Right now, it has been the practice to designate every penny into some fund.

Chair Schroeder asked if there was anything defaulting to the General Fund at this time.

Mr. Miller stated there was not. He stated any excess cash is staying in the fund at this point.

Chair Schroeder thought the Council discussed being able to see year after year some history behind this. She thought a line item would be needed somewhere to show where the money came from and where it was being moved to when creating the budget.

Mr. Miller stated from staff's perspective, the trade off is instead of staff managing the funds for more than a year at a time the Council would do this and it is a change for the staff because right now they are accustomed to having the ability to manage for more than one year at a time and this would change that. He was not sure of where the Council stood regarding that.

Commissioner McRoberts agreed. It was a change in perception and the magnitude of that change is often far greater than the actual impact of that because to him all they are suggesting is that is the fund by which doing that the oversight of those funds are passed to the Council who are essentially elected officials and responsible to residents of the City and leaves the Council with tools to better manage when one fund is up and one is down.

Mr. Miller did not disagree that the Council should have oversight but the argument they would get from City Manager and staff is they do have the oversight. Staff cannot spend the money unless the Council appropriates it as part of the budget process.

Commissioner Bachhuber thought that is a great argument as to why they should be doing what they are proposing because staff is already only operating on a year to year basis and are going to the Council with an annual budget and need permission to spend money.

Mr. Miller stated they all have strategic plans which are not twelve months at a time and there is no guarantee that the Council will fund the items each year, but it does allow them to articulate a strategic plan.

Chair Schroeder indicated to her it comes down to who gets to decide where to stockpile money for future initiatives.

Commissioner Reif thought Department Heads might start spending more money at the end of year if they have it rather than have a surplus that gets swept into a general fund for other Departments to use.

Commissioner McRoberts stated that was why the Commission wanted to see monthly spending to look at the spending trends in the Departments.

Commissioner Hodder stated his concern is they had already reserved spending since he has been a Finance Commission for almost four years. He stated they have been dipping into their reserves and some Councils may not be enlightened and could spend down more and create a situation where they destabilize the City funding streams. Right now, they have sustainability and if they get into a sweep situation or some new initiatives they could destabilize our funding mechanisms.

Commissioner Hodder stated as a project manager he relied on his staff to provide him with information on how things were being run and he couldn't know everything and relied on his experts to ensure his programs were run well. He stated the Council sees the big picture, but they may not see nuances of how different departments work and are run. He thought there needed to be some delegation to Department heads.

Commissioner McRoberts thought the lower limits are set at appropriate levels so mismanagement cannot happen. He stated the way he understood it at the end of the year any excess or deficits were going to be thrown in together into one fund and re-allocated to every Department for the new year. This allows a revisiting of all priorities across all the Departments. It makes it an easier way to govern.

Commission discussion ensued regarding department management of the funds versus staff management of the funds.

Commissioner Bachhuber stated when he looks at this if he was going to propose sweep levels he would agree with Mr. Miller that the General Fund balance of 45% would be good but he figured all the excess money would eventually end up in the General Fund. He did not think it mattered for that fund. He thought 25% as a level at which sweeping would begin makes sense. He thought the percentage for the Communication Fund would need to go a little based on what they see. When he looks at IT and License Funds he thought those could be swept at 15% given how their revenues flow and not a need for reserves.

Chair Schroeder asked what the next step should be.

Commissioner Bachhuber stated on page 11 of 12, he would like to see a sweeping of what he previously stated or something like that and he felt because the sweep will end up in the General Fund he suggested that be taken off.

Chair Schroeder thought the General Fund should still be there to show what monies are in that fund.

Commissioner Bachhuber thought the Communication Fund should be higher based on staff analysis. Tech and License would be maintained at 15%.

Commissioner McRoberts thought it made sense to increase the Communication Fund given the other element of Tech and License might end up in trouble quickly and having some wiggle room might be a good idea.

The Commission requested a scenario be given adjusting Communication to 30% with Tech and License Funds lowered to 15%.

Chair Schroeder thought the recommendation the Commission is giving is that the sweep be put into the General Fund.

Commission concurred.

Commissioner McRoberts asked staff to prepare a hypothetical analysis going back to the end of 2015 and sweeping the accounts through 2018 to see where the ending balances would be if they used the process they are proposing.

Mr. Miller indicated he could do that for the Finance Commission's next meeting.

### **Discuss Recommendations on Establishing CIP Categories**

Commissioner McRoberts reviewed the current policy/process and the Commission's observations. He made a PowerPoint presentation reviewing the proposed framework and definitions of the CIP categories with the Commission.

#### **Category 1**

This would include CIP items that are routine and can be incorporated into various replacement policies. It would include day-to-day items such as vehicles & equipment that have a consistent useful life. Items in this category, as reflected in the various replacement policies, would be reviewed annually by the City Council, but less frequently if no significant changes are made.

#### **Category 2**

This would include CIP items that are incorporated into a broader strategic plan or replacement policy. It would include infrastructure identified in the City's Pavement Management Program (street replacement), Park Improvement Programs or similar long-term planning initiative. Items

in this category would be reviewed annually by the City Council unless they chose to delegate it to the advisory commissions.

### **Category 3**

This would include CIP items that would be considered non-routine or occur on a highly infrequent basis and have a significant budgetary impact. This could include items such as the OVAL refrigeration system replacement or new facilities.

Commissioner McRoberts stated the proposed next steps would be to gain Council agreement to the proposed approach, codify resultant policy for approval, including potential money limits that fit outside of delegated authorities. Define detailed areas of spending that fit into categories 1, 2, and 3. Define policies for category 1. Articulate and strategies, as part of annual budget process, for category 2 and Finalize format and process for review of “fiscal note” for category 3.

Commissioner Harold thought there should be a little more definition made for someone new coming in.

Chair Schroeder stated thought it would be good to have an example attached to the categories.

Commissioner Bachhuber thought this was a terrific way of communicating the different ideas and how to think about these.

Mr. Miller reviewed with the Commission a potential fiscal note template. He felt there might be some more room to try to put something applicable in there. This gives the Council something to react to.

Commissioner Harold stated instead of rewriting another fiscal note he would suggest adding either a 10- or 20-year CIP Budget Impact below the “Annual Operating Budget Impact”. Some capital expenses will either create or remove other CIP expenses. He indicated he would also add a section to discuss Budget Impact Assumptions. This would include a place to put some explanation behind the numbers cited in the Budget Impact sections.

Commissioner Hodder stated he liked the concept because in the Legislature at the State level they do have to have a fiscal note whenever they do their programs and services they provide and thought it was very helpful to layout what the cost and expenditures are. Whenever they have a proposal they also want to show the value it will provide.

Commissioner Harold thought a revenue spot would be a good item to add to the fiscal note to determine if there were any revenue impacts associated with the project.

Mr. Miller stated it occurred to him that if he was a Councilmember that the Commission has decided that something has broken and is not working the way it should. What he has not heard the Commission articulate yet is what they will use to convince the Council that something is broken and that there should be a change. The Commission is advocating for some better process, but he thought part of the sell, if you want the Council to do something differently than

what they are doing now, they will need to be persuaded that what they are currently doing is inadequate.

Commissioner McRoberts stated that was the intent of the first page of the PowerPoint he showed.

Mr. Miller stated the Council needs to be persuaded to change the way they do things. The Council needs to know why they should change and what is causing them to make inopportune or bad decisions. He was not sure the Council thinks there is a problem, or they would have made changes.

Commissioner McRoberts indicated he would work on the reason for change to bring before the Council at their joint meeting.

### **Discuss Recommendations on the 2019 City Manager Recommended Budget & Tax Levy**

Finance Director Miller reviewed the recommended Budget & Tax Levy with the Commission.

Chair Schroeder thought this was short notice for the Commission to be able to react to this for their Joint Council meeting, but she assumed they were looking for some Commission opinion on it.

Mr. Miller stated that was the hope, but the Council deliberately moved up the release of the recommended budget, so the Commission would have more time. He thought this could be a broad comment to the Council.

Chair Schroeder thought that was the type of recommendation they made last year.

Commissioner Bachhuber indicated he was glad to see the City wanting and trying to wean themselves off the reserves to make a budget work. He thought this was a great step they were taking. He asked what the general process is for rentals of amenities in the City and whether they increase the rates for rentals and other things on a regular basis.

Mr. Miller stated the fees are looked at every year and the Parks and Recreation staff evaluate what is being charged and factor in cost increases of operating the facilities or providing the programs but they know there are some cost sensitivities as well so they do look at some surrounding communities and are being mindful of what other communities are charging as well.

Chair Schroeder asked staff to give them the income for that because she knew the Council has also requested that and Mr. Miller is working with the Parks Department to come up with the income generated by that.

Commissioner Harold stated looking at a high-level budget increase of 2.7 or 1.9 depending on which budget they look at seems reasonable. When they factor in trying to ween off cash

reserves, that is the ballgame for the City levy. He thought it was unfortunate that trying to wean themselves off cash reserves comes in the same year that residential properties increase relative to the total tax base because it pushes more onto the single-family homeowner. He stated he did not listen to the presentation at the City Council meeting, did they touch on why the EDA levy is going up 73 percent.

Mr. Miller reviewed the presentation made at the Council meeting.

Commissioner Harold thought it seems like proposing a quarter of a million in new initiatives at the same time they are trying to ween a quarter of a million off cash reserves seems like it could be ill timed. He noted he did not know all the details.

Mr. Miller noted there is a presentation to the Council regarding the Economic Development initiatives at the July 23<sup>rd</sup> meeting.

Commissioner McRoberts asked regarding the utility at 4.5 percent, is there any kind of a benchmark or how do they gauge if it is reasonable or not.

Mr. Miller stated that is based on their CIP and their Water Sanitary Sewer and Storm Sewer Infrastructure Replacement Programs, which is a big chunk of the increase because the replacement needs are not going away and is based on preliminary information they received from the City of St. Paul where they buy their water and from the Met Council which treats the waste water. Based on those large inputs this is about the amount of the increase they will need from a typical single-family home. He stated it would be different if they had a lot of cash reserves in those funds and they might be able to shoulder it a little bit, but they do not. This is higher than where anybody would want it to be, but it looks like that is where it is lining up.

Chair Schroeder agreed because they have inflation but, yet they are trying to ween themselves off the reserves. It seems reasonable from the City part. The EDA and utilities they do not have to weigh in on that at the joint meeting. She asked the Commission if they were comfortable with what the City Manager, as a general percentage has recommended.

The Commission concurred with the recommendation.

### **Discuss Topics for the Joint city Council-Finance Commission Meeting**

Finance Director Miller reviewed with the Commission the topics for the joint meeting in September.

- 2019 City Manager recommended budget & tax levy
- The establishment of a Cash Reserve (Cash Carry-Forward) fund
- Any other guidance the Commission may want to offer such as:
  1. Updated recommendations on the Capital Improvement Plan (CIP) categorizations/prioritizations

2. Changes in funding recommendations for the CIP.

Chair Schroeder stated they want to talk about this in total at their next meeting and they need to polish a couple of these up a little bit. She thought they were in a good position moving forward.

**Identify Discussion Items for the Future Meeting**

No discussion.

**Adjourn**

Commissioner Hodder made a motion, seconded by Commissioner Reif to adjourn. The **motion passed unanimously.**

Meeting adjourned at 9:00 p.m.