

**Commissioners:**

Siafa Barclay  
Bruce Bester  
Wanda Davies  
Sandra Klein-Hegge  
John Murray  
Dan Sagisser



**Finance Commission Agenda**

Tuesday, February 8, 2022

City Council Chambers

6:30 pm

**Address:**

2660 Civic Center Dr.  
Roseville, MN 55113

**Phone:**

651-792-7002

**Website:**

[www.cityofroseville.com](http://www.cityofroseville.com)

Following guidance from state health officials, Commission Members may participate in upcoming meetings electronically pursuant to Minn Stat. 13D.021.

Members of the public who wish speak during public comment or an agenda item during this meeting can do so virtually by registering at:

[www.cityofroseville.com/attendmeeting](http://www.cityofroseville.com/attendmeeting)

1. 6:30 P.M. Roll Call / Announcements
2. 6:35 P.M. Receive Public Comments
3. 6:40 P.M. Approve Meeting Minutes

Documents:

[ITEM 3 - MINUTES.PDF](#)

4. 6:55 P.M. Receive Finance Commission Recommendations Tracking Report

Documents:

[ITEM 4 - FINANCE TRACKER.PDF](#)

5. 7:05 P.M. Finalize Items For Joint Meeting With City Council

Documents:

[ITEM 5 - FINALIZE DISCUSSION ITEMS AT JOINT MEETING.PDF](#)

6. 7:25 P.M. Staff Update - Verbal Only

7. 7:45 P.M. Identify Discussion Items For Future Meetings

Documents:

[ANNUAL\\_WORKPLAN\\_2022.PDF](#)

8. 8:00 P.M. Adjourn

# 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

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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 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.

58

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.

62

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 8<sup>th</sup> 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.



# Memo

**To:** Roseville Finance Commission  
**From:** Michelle Pietrick, Finance Director  
**Date:** February 8, 2022  
**Re:** Item #4: Review Finance Commission Recommendations: Tracking Report

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## **Background**

A summary of the Finance Commission's recent recommendations submitted to the City Council is included in *Attachment A* for review. The report has been updated to reflect items that have been closed or added per Commissioner Bester.

## **Staff Recommendation**

Not applicable.

## **Requested Commission Action**

For review and discussion purposes only. No formal Commission action is necessary.

Prepared by: Michelle Pietrick, Finance Director  
Attachments: A: Tracking Report

**Roseville Finance Commission  
Recommendation Tracking Report**

<b>No.</b>	<b>Recommendation</b>	<b>Description</b>	<b>Date Recommended</b>	<b>Date Presented</b>	<b>Status</b>	<b>Discussion and Next Steps</b>
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**There are no open recommendations as of 1/31/22**

## Roseville Finance Commission Recommendation Tracking Report - Definitions

Status	Definition
Pending	Recommendation has not yet been presented to the City Council
Received	Recommendation has been received by the City Council but has not received a formal reply or action
Accepted	Recommendation has been accepted by the City Council but action has not yet been taken
Rejected	Recommendation has been rejected by the City Council and will not move further
Implemented	Recommendation has been accepted by the City Council and action has been implemented
Rescinded	Recommendation has been rescinded by the Finance Commission
Received - Closed	Recommendation has been received by the City Council but has not received a formal reply or action and will be considered closed from future updates tracking.
Received - Further Development	Recommendation has been received by the City Council and returned to the Commission for modifications or further development.

# 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.

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## 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>

## Roseville Finance Commission

### 2022 Meeting Topics & Calendar

Month	Discussion Topic (Tentative)
January 11	<ul style="list-style-type: none"> <li>▪ Discuss Items for a Joint Meeting with City Council</li> </ul>
February 8	<ul style="list-style-type: none"> <li>▪ Sales Tax Discussion update ( tentative)</li> <li>▪ Finalize items for Joint Meeting with City Council on February 14</li> </ul>
March 8	<ul style="list-style-type: none"> <li>▪ Select Chair, Vice-Chair, and Ethics Commission Representative</li> <li>▪ Review 2021 Investment Portfolio performance</li> <li>▪</li> </ul>
April 12	<ul style="list-style-type: none"> <li>▪ Review 2021 preliminary year-end cash reserve levels</li> <li>▪</li> </ul>
May 10	<ul style="list-style-type: none"> <li>▪</li> </ul>
June 14	<ul style="list-style-type: none"> <li>▪ Review 2021 Audit Reports</li> <li>▪ 2023-2042 Capital Improvement Plan review #1</li> </ul>
July 12	<ul style="list-style-type: none"> <li>▪ 2023-2042 Capital Improvement Plan review #2</li> </ul>
August 24 * Wednesday	<ul style="list-style-type: none"> <li>▪ Discuss the 2023 City Manager Recommended Budget &amp; Tax Levy</li> <li>▪ Discuss items for Joint City Council-Finance Commission meeting</li> </ul>
September 13	<ul style="list-style-type: none"> <li>▪ Establish Recommendation on 2023 City Manager Recommended Budget &amp; Tax Levy</li> <li>▪ Establish Recommendation on 2023-2042 Capital Improvement Plan</li> <li>▪</li> </ul>
October 11	<ul style="list-style-type: none"> <li>▪ Update on the Council-adopted 2023 preliminary Budget &amp; Tax Levy</li> <li>▪ Review and adopt a recommendation on the 2023 proposed utility rates</li> </ul>
November 15	<ul style="list-style-type: none"> <li>▪ Adopt 2023 Meeting Calendar</li> <li>▪ Adopt 2023 Work Plan</li> </ul>
December 13	<ul style="list-style-type: none"> <li>▪</li> <li>▪</li> </ul>