

**Commissioners:**

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



**Finance Commission Agenda**

Tuesday, October 12, 2021

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)

1. 6:30 P.M. Roll Call / Announcements
2. 6:35 P.M. Administer Oath Of Office For Finance Commissioner Sandra Klein-Hegge

Documents:

[ITEM 2 - OATH OF OFFICE FOR FINANCE COMMISSIONER KLEIN-HEGGE.PDF](#)

3. 6:45 P.M. Receive Public Comments
4. 6:50 P.M. Approve Meeting Minutes

Documents:

[ITEM 4 - MINUTES.PDF](#)

5. 7:00 P.M. Receive Finance Commission Recommendations Tracking Report

Documents:

[ITEM 5 - TRACKING REPORT.PDF](#)

6. 7:10 P.M. Update On The Council Adopted 2022 Preliminary Budget & Tax Levy

Documents:

[ITEM 6 - UPDATE ON COUNCIL ADOPTED 2022 PRELIMINARY BUDGET AND TAX LEVY.PDF](#)

7. 7:45 P.M. Staff Update
8. 7:50 P.M. Identify Discussion Items For Future Meetings

Documents:

[ITEM 9 - ANNUAL\\_WORKPLAN\\_2021.PDF](#)

9. 8:10 P.M. Adjourn



# Memo

**To:** Roseville Finance Commission  
**From:** Michelle Pietrick, Finance Director  
**Date:** October 12, 2021  
**Re:** Item #2: Administer the Oath of Office for Finance Commissioner Sandra Klein-Hegge

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## **Background**

Consistent with past practices, all Roseville advisory commission members are required to take an official Oath of Office. This Oath is an official statement administered by the Commission Chair which instructs commission members to act in accordance with the Constitution of the United States and the State of Minnesota.

## **Staff Recommendation**

Staff recommends that new Commission Member Sandra Klein-Hegge takes the Official Oath of Office at the October 12, 2021 Finance Commission meeting to be administered by the Commission Chair.

## **Requested Commission Action**

Take the Official Oath of Office at the October 12, 2021 Finance Commission meeting.

Prepared by: Michelle Pietrick, Finance Director  
Attachments: A: Not Applicable

# Memo

**To:** Roseville Finance Commission  
**From:** Michelle Pietrick, Finance Director  
**Date:** October 12, 2021  
**Re:** Item #4: Approve the Minutes from the September 14, 2021 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 September 14, 2021 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 September 14, 2021 meeting.

Prepared by: Michelle Pietrick, Finance Director  
Attachments: A: Draft Minutes from the September 14, 2021 Finance Commission Meeting

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**Finance Commission  
Meeting Minutes  
DRAFT – September 14, 2021 - 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, Dan Sagisser

**Commissioners Absent:** Ryan Lee.

**Staff Present:** Finance Director Michelle Pietrick

**Receive Public Comments**

Mr. Roger Hess, 1906 Wagner Place, asked in the budget where would he could find claims that were previously paid as well as claims in the budget for 2022.

Ms. Pietrick explained the insurance fund would pay that.

Mr. Hess asked if there is anywhere that the public can find out what was paid in claims last year or the previous year.

Ms. Pietrick indicated this could be obtained from the Finance Department.

Chair Davies explained that is not a part of the budget, the City budgets to keep the fund at an adequate level.

Mr. Hess indicated he was curious if claims were budgeted and if there was some information about previous years. He noted his second question was with the Senior Deferred Loan Program and he wondered if the Commission reviewed this program before it started.

Chair Davies indicated the Commission did review the program.

Mr. Hess indicated the way he understood it is someone who is probably living on a fixed income and does not have a lot of disposable income to get their own loan would be someone to take advantage of this program. He noted he did not really understand the program.

Chair Davies indicated she did not remember all of the details, but Ms. Jeanne Kelsey was the one in charge of the program if Mr. Hess needed more information.

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**Approval of Meeting Minutes**

Commissioner Barclay moved, seconded by Commissioner Murray to approve the August 25, 2021 meeting minutes as presented. **The motion carried unanimously.**

**Receive Finance Commission Recommendations Tracking Report**

Commissioner Bester updated the Commission on recent changes to the tracking report.

**Review and Discuss 2022 City Manager Recommended Budget & Tax Levy**

Finance Director Pietrick reviewed with the Commission discussion from the last Finance Commission meeting and indicated the Commission may want to submit guidance or recommendations to the City Council regarding the City Manager’s recommended budget & tax levy which the Chair can provide at the City Council meeting on September 20, 2021.

The Commission discussed budget items with Ms. Pietrick including Police Vehicle Equipment funds, City Council expenses, Community Visioning, Administration expenses, County services and election costs, Property Tax Levy/EDA, embedded Social Work positions, Golf Course budget and TIF.

Commissioner Sagisser moved, seconded by Commissioner Bester to recommend the 2022 City Manager Budget & Tax Levy as presented to the City Council.

Commissioner Murray noted that he was wincing at the idea of increasing the levy because the real estate taxes are paid out of income, not out of valuations. While valuations are going up, income is not. He thought this will create a hardship on some people in the City. He thought if it was necessary to increase the levy than it was necessary, but he thought this will hurt some residents.

Commissioner Bester indicated that one of the things that pleased him with this budget was that the City budgeted a two-million-dollar reduction in fund balance.

Chair Davies explained the other piece that she noticed is that last year there was actually a decrease, so it did not surprise her that there was a larger increase this year because in a sense it is kind of two years of increases because given the hard times the Council really wanted to hold the line last year. She looked at the levy increase as being two years’ worth.

Commissioner Murray encouraged the City Council to be sensitive to resident hardships.

Commissioner Barclay agreed because many people have been affected by COVID.

92 **The motion carried unanimously.**

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95 **Discuss Antennae Leases**

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97 Finance Director Pietrick explained the Commission is asked to discuss and review the antennae  
98 leases. She recapped the lease with the Commission.

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100 Chair Davies asked how much revenue was budgeted for 2022.

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102 Ms. Pietrick indicated it was \$450,000.

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104 Chair Davies asked if this was fairly stable.

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106 Ms. Pietrick indicated it was.

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108 Chair Davies thanked Ms. Pietrick for providing the information.

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111 **Identify Discussion Items for Future Meetings**

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113 Chair Davies stated the next agenda would include an update on the Council adopted 2022  
114 preliminary Budget & Tax Levy, review and adopt a recommendation on the 2022 proposed  
115 utility rates and review park dedication and other fees.

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117 Ms. Pietrick asked if the Commission wanted to see the purchasing policy with the equity  
118 language inserted since the dollars did not change.

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120 The Commission indicated they would like to see the policy but indicated no discussion was  
121 warranted.

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123 **Adjourn**

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125 Commissioner Bester made a motion, seconded by Commissioner Murray to adjourn. The  
126 **motion passed unanimously.**

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128 Meeting adjourned at 7:44 p.m.

# Memo

**To:** Roseville Finance Commission  
**From:** Michelle Pietrick, Finance Director  
**Date:** October 12, 2021  
**Re:** Item #5: 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**

No.	Recommendation	Description	Date Recommended	Date Presented	Status	Discussion and Next Steps
2019-5	Use of Cash Reserve Fund for EAB	Recommend not to use Cash Reserve Fund for Emerald Ash Borer program.	9/10/2019	9/16/2019	Received - Closed	Emerald Ash Borer action plan for 2022 is included in the proposed 2022 budget.
2020-1	Investment Policy Language	Recommended changes to the City Investment Policy to allow for investment into low fee mutual/index funds.	1/14/2020		Accepted in Part, Rejected in Part	Finance Commission will work to understand why the equities section was not accepted.
2020-2	Cash Reserve Policy Language	Recommended changes to the City Cash Reserve Policy to reflect previous recommendations regarding the use of the Cash Reserve Fund.	1/14/2020		Pending	Finance Commission will work through reserves July 2021, including consideration of cash reserve needs for Emerald Ash Borer situation.
2021-03	Purchasing Policy	Increase City Manager purchasing authority to \$10,000.	3/9/2021		Pending	
2021-05	Proposed CIP Related Levy Increases	Five proposed levy increases for a total of \$220,000	7/13/2021		Pending	This will be part of the Finance Commission's overall CIP funding strategy recommendation for the City Council to consider at its meeting of 9/20/21
2021-06	Proposed Operating Fund Reserve Policy	Proposal to revise policy range for Park & Rec from 25% to 15-25%, and General Fund from 35-45% to 35-50%.	7/13/2021		Pending	This will be part of the Finance Commission's Operating Fund Reserve policy recommendation for the City Council's consideration.
2021-07	City Enterprise Fund Operating Cash Reserve	Ehlers recommends working capital target of 50% of operating expenditures plus debt service. After further analysis and review of other cities policies staff recommends the following revised minimum working capital threshold of 25% of operating and capital budget.	7/13/2021		Pending	Finance Commission requests additional information, such as surveys of other cities, before giving this further consideration. Staff has completed additional analysis and survey work. New recommendation made by staff.

## 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:** October 12, 2021  
**Re:** Item #6: Update on Council adopted 2022 Preliminary Budget and Tax Levy

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## Background

At the September 27, 2021 City Council meeting, the Council adopted the preliminary 2022 Budget and Tax levy. The Council adopted the City Manager recommended budget, which the Finance Commission also recommended at the September 14, 2021 Commission meeting.

The highlights of the 2022 preliminary budget include:

- Total Budget of \$58 million, a decrease of \$4.5 million.
- Total Property Tax-Supported Budget of \$33.8 million
- Cost increases due to higher personnel costs, contractual obligations are also part of the increased budget.

The proposed tax levy is \$24.8 million which is an increase of \$1,166,554 or 4.92%. The budget decreased due to almost \$5 million in Oval Renovation costs which were budgeted in 2021 and also due to Metro-INET becoming a stand-alone entity in 2022. When the budget is adjusted for these 2 items, the actual net budget increase was \$1.5 million. The levy increase is less than the budget increase as fund reserves were utilized in several funds, specifically in the capital project area.

The City Council approved a preliminary EDA levy of \$442,570, a reduction of \$11,100 from last year.

The following table depicts the monthly impact based on the preliminary 2022 budget and tax levy.

<b>2022 Budget Impact on Median-Valued Home (monthly)</b>			
			Dollar
	<u>2021</u>	<u>2022</u>	Change
Property Tax Levy: City	\$ 93.12	\$ 98.50	\$ 5.38
Property Tax Levy: EDA	1.91	1.88	(0.03)
Utility Rates	55.81	58.97	3.16
Combined Total	\$ 150.85	\$ 159.35	\$ 8.50
\$ Change per Month		\$ 8.50	
% Change		5.64%	

The utility rates presented are estimates based on average residential consumption and based on increases recommended in the Utility Rate Study for Water and Stormwater and necessary increases in the Recycling fund based on new contract..

The Commission is reminded that this is only a preliminary budget and tax levy. Final action will be taken at the Council's December 6, 2021 meeting.

**Staff Recommendation**

Not applicable

**Requested Commission Action**

For information purposes only. No formal Commission action is necessary.

Prepared by: Michelle Pietrick, Finance Director  
Attachments: A: Not Applicable

# Roseville Finance Commission

## 2021 Meeting Topics & Calendar

Month	Discussion Topic (Tentative)
January 12	<ul style="list-style-type: none"> <li>▪ Post Issuance Debt Compliance Policy</li> <li>▪ CARES Act Final Funding Status Report</li> </ul>
February 9	<ul style="list-style-type: none"> <li>▪ Update on Solar project results – Public Works Director</li> <li>▪ Update on Recycling – Public Works Director</li> </ul>
March 9	<ul style="list-style-type: none"> <li>▪ Select Chair, Vice-Chair, and Ethics Commission Representative</li> <li>▪ Review 2020 Investment Portfolio performance</li> <li>▪ Purchasing Policy draft review</li> </ul>
April 13	<ul style="list-style-type: none"> <li>▪ Review 2020 preliminary year-end cash reserve levels</li> <li>▪ Discuss items for Joint City Council-Finance Commission meeting</li> <li>▪ Review draft purchasing policy</li> </ul>
May 11	<ul style="list-style-type: none"> <li>▪ Review 2020 Audit Reports</li> <li>▪ Review EDA Loan Programs and Cmty Dev. Building Permit fees</li> </ul>
June 8 moved to June 3	<ul style="list-style-type: none"> <li>▪ Review Recycling RFP results</li> <li>▪ 2022-2041 Capital Improvement Plan review #1</li> </ul>
July 13	<ul style="list-style-type: none"> <li>▪ 2022-2041 Capital Improvement Plan review #2</li> <li>▪ Review and discuss cash reserve levels #1</li> <li>▪ Overview of Finance Department – Chair Davies request</li> </ul>
August 17- moved to Aug 25	<ul style="list-style-type: none"> <li>▪ Campus Facilities Tour</li> <li>▪ Review and discuss cash reserve levels #2</li> <li>▪ Discuss the 2022 City Manager Recommended Budget &amp; Tax Levy</li> </ul>
September 14	<ul style="list-style-type: none"> <li>▪ Establish Recommendation on 2022 City Manager Recommended Budget &amp; Tax Levy</li> <li>▪ Establish Recommendation on 2022-2041 Capital Improvement Plan-done 7/13</li> <li>▪ Overview of Antennae Leases</li> </ul>
October 12	<ul style="list-style-type: none"> <li>▪ Update on the Council-adopted 2022 preliminary Budget &amp; Tax Levy</li> <li>▪ Review and adopt a recommendation on the 2022 proposed utility rates</li> <li>▪ <del>Review Park Dedication and other fees</del> moved to November</li> </ul>
November 9	<ul style="list-style-type: none"> <li>▪ Review Park Dedication and other fees</li> <li>▪ Adopt 2022 Meeting Calendar</li> <li>▪ Adopt 2022 Work Plan</li> </ul>
December 14	<ul style="list-style-type: none"> <li>▪</li> <li>▪</li> </ul>