

**Finance Commission  
Meeting Minutes  
March 15, 2022**

**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:** 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**

Commissioner Murray moved, seconded by Commissioner Sagisser to approve the February 8, 2022 meeting minutes as amended. **The motion carried unanimously.**

**Receive Finance Commission Recommendations Tracking Report**

Chair Davies reviewed the Finance Commission Tracking Report.

**Review 2021 Investment Portfolio Performance**

Finance Director Pietrick reviewed the 2021 Investment Portfolio performance.

Chair Davies asked if the term was shortened due to the concern of increase in interest rates.

Ms. Pietrick explained she shortened the portfolio because the better interest rates were in the shorter term versus longer term and as things mature, she evaluates what is the best yield. She noted she is starting to go out a little longer because she has gotten some good interest rates there and she has gotten some really good interest rates shorter term as well. She was trying to get the best yield as possible.

Chair Davies thought Ms. Pietrick waited until maturity to make the decision to change the term by selling shorter term things and buying longer term things.

Ms. Pietrick indicated that was correct.

Commissioner Murray asked how much time Ms. Pietrick spent on managing the portfolio.

Ms. Pietrick indicated she was not sure but probably half an hour per week, if averaged out. She explained she tries to keep enough cash on hand so investments did not need to be sold at a loss to cover expenses and the City does get revenue outside of taxes, but in smaller amounts and if unforeseen revenue does come in she will look for an investment to put the money in.

Commissioner Murray asked if something were to happen to Ms. Pietrick is there someone in the City that could take over and carry on.

Ms. Pietrick explained her assistant would know what to do as he did so during the period between the former Finance Director leaving and herself arriving. Lessons learned from that situation has resulted in better written procedures on how to get ahold of the bank and the investment brokers. Unfortunately, she is losing the Assistant Finance Director who is going to the City of Woodbury.

### **Review Draft Revision to Investment Policy**

Finance Director Pietrick stated the purpose of the Investment Policy is to ensure the most efficient use of the City's idle funds, and to ensure the best return on these funds while making only those investments allowed by law.

Chair Davies indicated the City Council seemed receptive to the Finance Commission reviewing the Investment Policy for possible changes.

Ms. Pietrick indicated the Council minutes are included in the packet and she has also drafted a revised policy with the inclusion of Equity Investment option. She noted she also included the Minnesota State Statute 118A.09. She explained she did reach out to the City of Woodbury for information on their program. She reviewed the City of Woodbury's investment summary with the Commission. She thought this could be a good tool for the City because it is focused on the capital dollars side.

Chair Davies asked what time period Ms. Pietrick would see moving the money into the market.

Ms. Pietrick thought over the course of two years to three years.

Commissioner Murray indicated the City Council had asked for a ten-year track record and he wondered if staff could get that out of the State Investment Board.

Ms. Pietrick explained the State Investment Board has different reports out there and she has reached out to the Board to see if more data could be provided than the very high-level summaries.

Commissioner Murray thought that might make the City Council more comfortable.

Ms. Pietrick thought the Council was receptive to the presentation and she thought the City is in a much different point in time than the City was back in April 2020.

Chair Davies thought the timing of the first presentation could not have been worse.

Ms. Pietrick indicated that was correct. She indicated she does have information from the City of Woodbury but that city has only been with the State Investment Board for three years and remains the only city utilizing this investment option.

Commissioner Murray made a motion, seconded by Commissioner Davies to recommend the draft Investment Policy to the City Council. **The motion passed unanimously.**

#### **Select Chair, Vice-Chair, and Ethics Commission Representative**

Chair Davies indicated she was willing to continue as Chair of the Finance Commission.

Commissioner Sagisser indicated he was willing to continue as Vice-Chair.

The Commission left all positions the same as in the previous year.

Commissioner Murray made a motion, seconded by Commissioner Sagisser to appoint Commissioner Davies as Chair and Commissioner Sagisser as Vice-Chair of the Finance Commission. **The motion passed unanimously.**

Commissioner Murray made a motion, seconded by Commissioner Sagisser to appoint Commissioner Bester to the Ethics Commission. **The Motion passed unanimously.**

#### **Staff Update**

None

#### **Identify Items for Future Meetings**

Chair Davies indicated at the April meeting the Commission will review the preliminary year end cash reserve levels and may end up reviewing the decision from the City Council regarding the Investment Policy.

Ms. Pietrick explained she did present the Year End Cash Reserves to the City Council and there was some discussion about two funds with excess cash reserves being swept to the Excess Cash

Reserve Fund. She reviewed the discussion of the City Council with the Finance Commission and thought the Commission should discuss this in more depth at the April meeting.

Chair Davies reviewed the Commission interviews with the Commission and her recommendation to the City Council.

Ms. Pietrick indicated at the May meeting the Commission will be touring the Roseville OVAL. She also indicated the Zoom meeting option will not be available for the City Commissions to use after April.

### **Adjourn**

Commissioner Murray made a motion, seconded by Commissioner Sagisser to adjourn. **The motion passed unanimously.**

Meeting adjourned at 7:12 p.m.