

**Finance Commission  
Meeting Minutes  
August 25, 2021**

**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, Rachel Japuntich, Ryan Lee, John Murray, Dan Sagisser

**Commissioners Absent:** Siafa Barclay, Wanda Davies

**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**

Vice Chair Sagisser stated on line 238 the sentence should read “Chair Davies indicated she would not be at the meeting in person so Commissioner Sagisser would be ~~in charge~~ chairing and she could ZOOM in if possible”.

Commissioner Japuntich moved, seconded by Commissioner Murray to approve the July 13, 2021, meeting minutes as amended. **The motion carried unanimously.**

**Receive Finance Commission Recommendations Tracking Report**

Commissioner Bester reviewed the Finance Commission recommendation Tracking report with the Commission.

Commissioner Bester suggested the Commission close out the Investment Policy language because it has been accepted in part and rejected in part. He did not see this as continuing to require action. He also asked the Commission close out 2021 unless a Commissioner sees that differently.

The Commission concurred with Commissioner Bester’s recommendations.

### **Review and Discuss Cash Reserve Levels**

Finance Director Pietrick reviewed the Cash Reserve levels and asked the Commission to discuss and approve the revised Operating Fund Reserve Policy.

Commissioner Bester explained the last time when the Commission talked about having a fifty percent reserve, he calculated that they were three million dollars off the mark so if this goes to twenty-five will it be pretty close to being adequately funded.

Ms. Pietrick indicated that was correct. She explained right now the fund is still a little shy, but it is something for the City to aim to achieve within the next three to five years.

Commissioner Japuntich moved, seconded by Commissioner Murray to approve the redline operating fund reserve policy as written and propose to Council. **The motion carried unanimously.**

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

Finance Director Pietrick reviewed the 2022 City Manager recommended Budget and Tax Levy with the Commission.

Commissioner Bester thought the format was very useful. He indicated he put together a spreadsheet to try to track the tax supported and the fee supported funds and when he tallies up all of the expenses for the fee supported items, he came up long by \$550,000 which is exactly the EDA General Fund. He asked if the EDA was a part of the budget for approval.

Ms. Pietrick indicated the City Council and City Manager want the two budgets' separate. The EDA budget has to go to the EDA Board, and they will take action first.

Commissioner Bester indicated when he tallied all of the revenues from the packet, he was well over a million dollars different, and he did not know what that difference was from.

Ms. Pietrick explained the EDA monies have to be taken out and then he needs to factor in the transfers in.

Commissioner Bester indicated he did that, but he needed to figure that out in order for it to flow and make sense.

Ms. Pietrick asked if the difference was from tax supported revenues.

Commissioner Bester explained when he added up the revenues from both the tax supported and the fee supported, he was short of the City Manager's recommendation.

Ms. Pietrick indicated she would have to take a look at that.

Commissioner Bester asked with regard to sources and uses, do those two have to be equal.

Ms. Pietrick indicated those did not have to be equal. In the case of the various Capital Project funds the City levy's but may spend more in one year and less in another year. The City is using or adding to reserves and with enterprise funds, one would hope the revenues would exceed the expenses by a little bit or at least equal.

Commissioner Murray indicated there has been a fair amount of new construction in the City going on and he wondered how much of that has there been that has been added to the tax base.

Ms. Pietrick indicated she did not have the information in front of her and can send the Commission an email with the new construction value. That is built into the overall expansion of the tax base.

Commissioner Bester noticed there was not a budget for safety loss control, and he wondered if the reserves were ok with that.

Ms. Pietrick indicated that fund is being moved into the Fire Department fund this year. She noted if the Commission had any more questions before the next meeting to send her an email.

Commissioner Bester asked for Ms. Pietrick to educate the Commission a little better on sources and uses.

Ms. Pietrick reviewed some of the funds that have expenses for different uses with the Commission.

Commissioner Japuntich indicated regarding the tax levy, in attachment B there is a bar graph showing the proposed City Tax Levy increase. When it lists off the percentages, she wondered if that was the actual tax levy or the increase per year.

Ms. Pietrick explained the City is raising the tax levy, by 4.92 percent and the City will certify that to the County and the County will spread the levy across all property within Roseville, both residential and commercial.

### **Staff Update**

Ms. Pietrick indicated the Commission is asked to complete their surveys and send back to the City. She noted this will be the last meeting for Commissioner Japuntich so an opening for the Commission will be posted. She indicated there are also various other openings on other Commissions.

### **Identify Discussion Items for the Future Meeting (September 2021)**

Ms. Pietrick reviewed future meeting items and suggested deleting reviewing the CIP recommendation as that was previously done. Chair Davies had asked about Antennae Lease revenues and that could be added to the September agenda.

Commissioner Murray was not sure if he would be able to make the September meeting.

**Adjourn**

Commissioner Bester made a motion, seconded by Commissioner Japuntich to adjourn. The **motion passed unanimously.**

Meeting adjourned at 7:28 p.m.