

**Finance Commission  
Meeting Minutes  
October 12, 2021**

**Roll Call/Announcements**

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

**Commissioners Present:** Siafa Barclay, Bruce Bester, Wanda Davies, John Murray, Dan Sagisser and Sandra Klein-Hegge

**Commissioners Absent:** Ryan Lee.

**Staff Present:** Finance Director Michelle Pietrick

**Administer Oath of Office for Finance Commissioner**

Chair Davies administered the Oath of Office to Commissioner Klein-Hegge.

**Receive Public Comments**

Chair Davies indicated an email was received from Mr. Hess regarding the way storm water is charged. She noted this item is on the agenda so the questions will be addressed at that time.

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 Sagisser moved, seconded by Commissioner Murray to approve the September 14, 2021 meeting minutes as amended. **The motion carried unanimously.**

**Receive Finance Commission Recommendations Tracking Report**

Commissioner Bester indicated he did not label the report accurately, so the wrong month was submitted and published in the packet. He stated there was a bench handout which he will be referring to. He reviewed the Tracking report with the Commission.

Ms. Pietrick indicated the City Council did approve the Operating Fund Reserve Policy. She indicated that closes the Enterprise Fund, Cash Reserve Policy language and the Operating Fund

items. The only adjustment the Council did change from the Finance Commission recommendation was with regards to Parks and Recreation. The Council went with a twenty to thirty percent range.

### **Update on the Council Adopted 2022 Preliminary Budget & Tax Levy**

Finance Director Pietrick stated 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. She reviewed the highlights of the 2022 preliminary budget with the Commission.

### **Review and Adopt Recommendation on 2022 Proposed Utility Rates**

Finance Director Pietrick explained over the past several months, City staff has been reviewing the City's utility operations to determine what customer rate adjustments are necessary for 2022. The City engaged Ehlers to perform a comprehensive utility rate study of the Water and Storm Drainage Funds based on the cash situations in these two funds in 2021. She reviewed the 2022 proposed utility rates with the Commission.

Chair Davies asked if there is any adjustment for commercial operations that install pervious parking surfaces.

Ms. Pietrick explained there is not any adjustment offered. The City uses the same standard for storm fees as every other city does. She noted she could ask Public Works if newer commercial, that generally requires storm ponding, has been factored in to reduce costs.

Chair Davies explained she could see that being an incentive for a business to spend the extra money to install a type of parking surface that is permeable. She thought it would be something to look at for the long haul to reduce stormwater runoff.

Ms. Pietrick agreed. She continued with her presentation.

Commissioner Bester asked if it would be fair to say that, especially based on the "no revenue sharing", a lot of the risk was taken out of the contract from the City and this year the cost would be more but in future years the costs would be less.

Ms. Pietrick indicated that was correct. The next two years the increases would not be that large. This was moved to a mid-year renewal from a year end renewal, but also, the Council still needs to decide if they want to be prepared to purchase carts at the end of this contract.

Commissioner Sagisser asked if the City was going to start saving money to purchase carts rather than purchase carts now.

Ms. Pietrick explained that is what Public Works would like to do. When the contract was presented to the Council that was posed to them as a possibility. She knew that Mr. Culver will be posing that to the Public Works and Environmental Transportation Commission at the end of October.

Commissioner Sagisser indicated he would like to see the numbers on that.

Ms. Pietrick explained this was discussed and she would not recommend a huge increase by any means. They were looking at rounding the \$12.60 up to \$13.00 for the quarter.

Chair Davies thought that would not save near enough money to buy a cart.

Ms. Pietrick indicated that was correct. She indicated this would be phased in so there would be around fifty percent of the cost of the carts in the fund.

Commissioner Murray explained it was his understanding from the previous discussion on the cart ownership was that the City was not too enthusiastic about it because the City would have to store them and take them out to the residents' home, and they would need to be replaced if damaged. If the contract were to change and a company provided carts than the City would need to store them.

Ms. Pietrick explained the company would store the carts, even if the City owned them.

Commissioner Bester did not think the carrier was enthusiastic about promoting that.

Ms. Pietrick explained that was correct. The current vendor has carts.

Commissioner Sagisser indicated the thought was that if the City owned the carts, it would allow them to get more competitive bids with the option to go with other competitors.

Ms. Pietrick indicated that was correct. She continued with her presentation. She indicated the utility rates will be presented to the City Council at their November 8<sup>th</sup> meeting with a final approval on December 6<sup>th</sup>. She explained if the Commission had a preliminary recommendation that could be included in the presentation. This can also be revisited at the November Commission meeting if the PWETC makes any changes.

The Commission reviewed the utility fund with Ms. Pietrick, asking for history and background on some of the different items.

Chair Davies asked if the Commission wanted to make a recommendation to the City Council.

Commissioner Sagisser explained this could be recommended as is with the stipulation that the Finance Commission has been informed there may be an adjustment to this, so their recommendation does not include any subsequent adjustments.

Commissioner Murray indicated the Commission could recommend the water and sewer and storm sewer without recommending recycling.

Chair Davies thought the Commission could recommend recycling as is as well.

Commissioner Sagisser indicated he did not have any objections regarding the carts, he just did not know anything about them.

Ms. Pietrick stated what she was presenting to the Commission excludes the carts. She was saying Public Works may change these rates but that is the PWETC decision. If the Finance Commission feels strongly that the City should start setting aside money for carts, that could be a recommendation.

Chair Davies felt that this is a pretty large increase, and it may not be the time to start setting aside the money for carts. She recommended to the City Council approval as presented.

Commissioner Sagisser agreed.

Commissioner Bester made a motion, seconded by Commissioner Sagisser to recommend approval to the City Council of the 2022 proposed Utility rates as presented. **The motion carried unanimously.**

### **Identify Discussion Items for the Future Meeting (November 9)**

Chair Davies stated the next agenda would include discussions on Park Dedication and other fees, adopt the 2022 meeting calendar and adoption of the 2022 Work Plan.

Chair Davies thought there could be discussion on the purchase of recycling carts, if needed.

### **Adjourn**

Commissioner Murray made a motion, seconded by Commissioner Bester to adjourn. **The motion carried unanimously.**

Meeting adjourned at 7:32 p.m.