

**Finance Commission
Meeting Minutes
June 13, 2023**

Roll Call/Announcements

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

Commissioners Present: Siafa Barclay, Bruce Bester, Joe Tupy, Karin Derauf, Dan Sagisser and Sadiq Dahir

Commissioners Absent: Wanda Davies

Staff Present: Finance Director Michelle Pietrick

Oath of Office New Commissioner

Vice-Chair Sagisser administered the Oath of Office to new Commissioner Karin Derauf.

Receive Public Comments

Mr. Roger Hess, Wagner Place, indicated he was looking at the audit report and saw some funds are invested in really long term, for over ten years and he was curious if those things that are invested that long are earmarked for certain expenditures for ten years later from now or is it excess funds the City has laying around.

Ms. Pietrick indicated that would be the Capital Improvement dollars and there are plans for them.

Mr. Hess asked if the City passes the local option sales tax, and if the sales tax revenue is not enough to cover the bonds that will be issued the property taxes will take care of the balance or whatever the difference is.

Ms. Pietrick indicated that was not correct. If the local sales tax is approved by the voters in November 2024, sales tax will be collected by the State and remitted to the City and there are projections out there as to how much the City will collect and the City will limit the debt issued so that the sales tax will cover the service.

Mr. Hess asked what happens if there is a recession and not enough sales tax is collected.

Ms. Pietrick explained the City has authority to go up to twenty years and it would be structured in such a way, in her mind, that the debt would come due before the end of the twenty years so if there were a recession the City would have the twenty years of collection.

Mr. Hess asked if the fixed rates cover all of the expenses for water and sewer or some of the fixed expenses in the variable usage rate.

Ms. Pietrick explained the fixed and variable cover consumption and operating costs and debt service and are supposed to cover capital as well.

Approval of Meeting Minutes

Commissioner Dahir indicated on line 42 the word “was” should be changed to “were”. He also noted on line 128 the word “Mayer” should be changed to “Mayor”.

Commissioner Bester moved, seconded by Commissioner Dahir to approve the May 9, 2023 meeting minutes as amended. **The motion carried 5 ayes, 0 nays, 1 abstain (Derauf).**

Receive Finance Commission Recommendations Tracking Report

Commissioner Bester reviewed the tracking report with the Commission.

Discuss Council Request to Review Commission Purpose, Scope, Duties and Other Items

Finance Director Pietrick reviewed the Council request to the Commissions.

Commissioner Bester explained he spent a lot of time reflecting back on this and he happened to like the way the Code is written. If he had any questions, he would wonder if the Commission is consistent with the length, the detail and how this compares with other Commission Charters. Some are quite a bit longer than the Finance Commission. He thought it might be a challenge of the Finance Commission to make sure it is consistent with the other Commission’s Charters, but the other Commissions will be looking at theirs as well.

Vice-Chair Sagisser explained he noticed what is not in the Finance Commissions Charter is talking about what the City is spending money on, which the Commission seems to have a habit of doing. He thought something else that is in their Charter is Item E “Review and recommend the annual timeline and process for creating City budgets”. He did not think the Finance Commission recommends a timeline for that and he did not think the Commission has ever since he has been on the Commission. He thought if there was anything to modify it would be that line. He guessed one side of that is maybe the Commission should start making recommendations or maybe just take that sentence out of the Charter.

Ms. Pietrick reviewed with the Commission the budget timeline that is made each year.

Commissioner Bester indicated he wanted to compare the Finance Commission Charter to the other Commissions in the City.

Ms. Pietrick indicated the Planning Commission is a required Commission by State Statute so their information is very lengthy but the PWETC, HRIEC, Park and Recreation Commission and other Commissions were created by the City Council and are not required by State Statute so those might be better to compare with the Finance Commission Charter.

Commissioner Derauf thought it would be hard to gauge the Finance Commission's scope of duties and functions compared to another Commission because they would have to understand what the other Commissions departments functions and all the things that Commission does in the City. She thought it would be like comparing apples to oranges. She indicated her only question would be this definitely involves a lot of policy, and she wondered if the Finance Commission has spent a lot of time in the past reviewing those policies.

Ms. Pietrick indicated the Finance Commission has in the past reviewed the policies, not every year but the Finance Commission did go through the Investment Policy and added the equities section which took a while. The Capital Investment Policy was also looked at last year and some changes were made. The Finance Commission has also looked at the cash balance reserve policy and made a recommendation specifically with regard to some various funds. She noted periodically staff brings the policies back to the Finance Commission for discussion.

Joint Meeting Notes

Commissioner Bester reviewed the joint meeting with the City Council and what was discussed.

Review What the Commission Would Like to Discuss on Pension Obligations

Finance Director Michelle Pietrick explained Commissioners noted they had questions during the audit presentation regarding pension obligations. She asked the Commissioners for questions on this topic so staff can bring a report back in July to help answer the questions.

Commissioner Bester indicated Chair Davies and himself had some questions after the audit presentation. He passed out the questions he had to the Commission to review.

Ms. Pietrick indicated the Commission could email her their questions and this would be discussed at the July meeting.

Staff Update on Local Option Sales Tax

Finance Director Michelle Pietrick reviewed with the Commission the Local Option Sales Tax that the Legislature passed. She noted this will be voted on by the residents in November 2024. She noted there were two projects that the City requested the sales tax for, one was for the new maintenance facility and the other project was for a new license center. It will be posed on the ballot as two separate questions.

Commissioner Bester asked if staff is putting together contingency plans in case the voters do not vote in favor of this.

Ms. Pietrick explained the project would get tabled. Staff does have plans if this does not pass.

Identify Discussion Items for the Future Meeting

Finance Director Michelle Pietrick reviewed possible July discussion items with the Commission.

Vice-Chair Sagisser thought the Commission could tour some of the City departments and buildings.

Commissioner Derauf indicated she would like to see what the City's Public Works facility looks like.

Adjourn

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

Meeting adjourned at 7:50 p.m.