Finance Commission
Meeting Minutes
May 14, 2024

Roll Call/Announcements

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

Commissioners Present: Bruce Bester, Sadiq Dahir, Kevin Davy, Dan Sagisser, Joe Tupy, and Anna Vervoort

Commissioners Absent: Siafa Barclay

Staff Present: Finance Director Michelle Pietrick and Assistant City Finance Director Josh Kent

Receive Public Comment

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

Chair Bester asked if the Commission had any changes to the minutes.

Commissioner Sagisser stated lines 32 and 34 are not needed and should be removed.

Chair Bester indicated on line 110, he was a little puzzled by what he said but after re-reading the sentence he thought it said what was intended.

Commissioner Sagisser thought the wording after "…at the next meeting" could be removed to make better sense of the sentence.

Commissioner Sagisser moved, seconded by Commissioner Davy, to approve the April 9, 2024, meeting minutes as amended. The motion carried unanimously.

Audit Presentation of the 2023 Annual Financial Report

It was noted on May 6, 2024, the City Council received the City's annual audit presentation from the City's Redpath & Company.

Ms. Rebecca Peterson explained she was at the meeting to present the audit and 2023 annual financial report to the Finance Commission. She made a presentation to the Commission.

Ms. Peterson and City staff answered Commission questions about the audit during the presentation.

Ms. Peterson finished her presentation and asked if the Commission had any questions that she did not cover in her presentation.

Chair Bester explained at their last meeting he was anticipating a higher General Fund Balance Reserve, based on discussion. He thought the balance would be around forty-two.

Ms. Pietrick did not think this fund would get to forty-two but there were a few things when she pulled the numbers that had not yet been booked. She thought that was probably why it was a little lower. It is still in an acceptable range in that it is above thirty-five percent. She thought a part of it was the City did not have all of the restricted fund balance known then, so she was guessing as to what was going to be restricted.

Chair Bester understood the discussion was based on estimates. He thanked Ms. Peterson for the presentation.

Receive Finance Commission Recommendations Tracking Report

Chair Bester reviewed the Finance Commission Tracking Report.

Discuss Items for a Joint Meeting with the City Council.

Finance Director Pietrick stated the Joint meeting is set for June 3, 2024. She indicated if the meeting needs to be moved to June 17, 2024, to let her know. She explained historically the meeting is an opportunity for the Commission to have a conversation with the City Council to go over what was accomplished last year and what is on the Finance Commission work plan for this year. This is an opportunity for all of the Commission to attend but is not mandatory.

Most of the Commission felt June 17, 2024, would be preferred to meet with the City Council.

Chair Bester indicated he would like to move ahead with the recommendation on limited use of equities in City Investments.

Ms. Pietrick indicated the Commission can bring that up. She has been in contact with PERA and the State Investment Board. She explained she has been juggling several things, The Capital Improvement Plan is one of them, and not that she was opposed to giving it a try but when the Commission goes over the Capital Improvement Plan, they will see that the City's available reserves are shrinking. When this was first discussed, the Capital Improvement plan looked to have about ten million dollars available throughout the 20 years, which is how staff produced fifteen percent of ten million, which is the maximum that can be invested. The City now does not have ten million dollars over the twenty years. She noted she has information on how to set up the account, but she has a lot of the City's long-term dollars invested right now so she would be taking short-term dollars to try to substitute for a long-term.

Chair Bester explained the minutes from the last meeting stating that one of the barriers to moving ahead with this might be the sentiment of the City Council. He thought the joint meeting might give the Commission a chance to get a sense of what that sentiment was.

Ms. Pietrick reviewed the history of discussions with the Council and Commission regarding this item.

Chair Bester thought short of a recommendation the Commission could present to the City Council what this could look like if the City had the resources to do it.

Ms. Pietrick reviewed the Capital Improvement Plan and the funding needed for it. She said the City Council did approve an updated investment policy which includes equity investments. She thought it made sense to check in with the City Council to see if they are still ok with this type of investing of City funds.

The Commission thought that made sense.

<u>Commission Members Brief Background Discussion</u>

Chair Bester explained with the addition of new Commission members, it is often helpful to have the Commission give a brief bio of their background and why they volunteered for the Finance Commission.

Chair Bester introduced himself, described his background, and why he volunteered for the Commission.

Commissioner Tupy introduced himself to the Commission, his financial background, and the reason he volunteered for the Commission. He hoped at a future meeting there could be a discussion about meeting format and making motions.

Commissioner Vervoort introduced herself, her business background as well as the reason why she volunteered for the Commission.

Ms. Pietrick presented her financial background and work history with the Commission.

Commissioner Dahir introduced himself, his financial background, and the reason he joined the Finance Commission.

Commissioner Davy introduced himself, his background, and why he volunteered for the Finance Commission.

Commissioner Sagisser reviewed his work history, finance background, and the reason why he joined the Finance Commission.

Staff Update

Ms. Pietrick updated the Commission on City Finance business.

Identify Discussion Items for the Future Meeting

Chair Bester stated the last page of the agenda packet shows future meeting agendas. He noted there is room on the June agenda. He wondered what the Commission would like to discuss or learn about.

Commissioner Tupy indicated he would like to learn more about motions or raising questions appropriately.

Adjourn

Commissioner Tupy made a motion, seconded by Commissioner Sagisser, to adjourn. The m**otion passed unanimously.**

The meeting adjourned at 7:45 p.m.