

**CITY OF LAKEVILLE
FINANCE COMMITTEE
February 24, 2021**

1. Chair Barry Fick called the special meeting to order at 6:04 p.m. via teleconference.

Members Present: Chair Barry Fick, Vice Chair Laird Hanson, Stephanie Hunter, Jake Johnston, Bruce Rydeen, John Tuschner, and Phil Raines

Members Absent: Sharon Zell

Staff present: Jerilyn Erickson, Finance Director

Members of the Public: None

2. **Approval of Agenda**

No changes. Motion by Hanson to approve. Second by Rydeen. Ayes: unanimous

3. **Approval of December 9, 2020 minutes**

Motion by Rydeen to approve the December 9, 2020 minutes.

Second by Hunter. Ayes: unanimous

4. **City Council Actions (Verbal)**

Erickson provided an update on council appointments to the Finance Committee. The City Council will approve the appointments at the March 15, 2021 regular meeting.

Erickson discussed the G.O. Tax Abatement Bonds, Series 2021A, that were sold in January, 2021 (closed in February, 2021) to fund the energy savings improvement projects at Ames and Hasse arenas and the G.O. Tax Abatement Bonds, Series 2021B, that will be sold in April, 2021 (closing in May, 2021) to fund the Keokuk Liquor Store.

Erickson also provided an update on the additional \$5,000 grants that were authorized by the City Council and issued in January to 50 businesses (\$250,000 total).

5. **Impacts of COVID-19**

Hanson provided an update on the number of COVID-19 cases, hospitalizations and deaths in Dakota County.

6. **Fund Balance Policy**

Members discussed potential changes that they would like to see considered by the City Council including:

- General Fund 50-60% range;
- Moving funds to a separate compensated leave fund;
- Setting aside or committing a portion of the fund balance (using CARES funds) for future pandemics using force majeure language to provide the definition;
- Making sure that the fund balance policy is in concert with what we want it to be and it is sustainable over the long-term.

Members discussed the impact of high level of debt on the Moody's bond rating.

Members thought a phased approach for any changes to the fund balance policy would be appropriate:

- Phase I – change policy to 50-60%.
- Phase II – establish reserve from CAREs fund to address force majeure to allocate \$\$/funds to pandemic.
- Phase III – additional items to be determined.

Erickson, Fick and Hanson will meet to draft some possible changes for discussion at the next meeting.

7. Follow-up on Workforce Housing Presentation – On Hold

Will discuss further at a future meeting. Hanson mentioned that Amazon is looking at adding workforce housing. Transportation concerns should be addressed.

8. Financial Sustainability and Resiliency Policy (FS&R) Update

Members continued to emphasize the importance of incorporating language about the sustainability of our natural resources into the FS&R policy.

Fick is a member of the GFOA debt management committee. They will be publishing a best practices paper on ESG (environmental, social & governance) which calls for governments to include information about climate risk and what it is doing to prepare for climate change and environmental events in their bond offering documents. Credit rating agencies are looking at this more. Fick will share it with Erickson to be distributed to the committee.

Members asked what kinds of language should be added to our policy. Consideration should be given to acknowledging the risks and the mitigation that is currently in place or needs to be place (i.e. reserve for pandemic reserve). Members noted a greater urgency to move forward with Plans in the FS&R.

Hanson mentioned protection of natural resources (additional parks, green space; undisturbed land left for foreseeable future; amount of trees); having a fund specifically for emergencies.

Hunter stated that we should make sure our policies align with city's comprehensive emergency management plan.

9. Future Meeting Topics

- Workforce housing (Amazon);
 - What is the average median income (AMI) that was used at Lakeville Point??
 - What information is available on the current housing projects?
 - How are we going to comply with the 2040 requirement? Erickson will reach out to Planning Director Morey to see how this is being addressed with 2040.
 - How does this tie in with the transportation plan?

- Lyft pilot program with Dakota County
- Hunter provided a link to a Youtube video:
<https://www.co.dakota.mn.us/Transportation/GettingAround/Pages/lyft.aspx>

10. Other Business

Thank you to Jake Johnston for his contributions to the Finance Committee.

11. Announcements

City of Lakeville received the GFOA Certificate of Excellence in Financial Reporting for the 2019 Comprehensive Annual Financial Report. The City has received this from 1988-2019 - -- 32 years.

The Finance Committee congratulated the City on the extraordinary achievement of publishing such well-regarded and industry-recognized Annual Financial Reports for 32 consecutive years. The Committee noted that this achievement has greatly assisted the City of Lakeville to earn the confidence of investors in Lakeville bonds and for the reputation of the Lakeville community as a whole.

12. Next Meeting

The next regular meeting is scheduled for April 28, 2021 at 6:00 p.m.

15. Adjourn

The meeting adjourned at 7:37 pm.

Respectfully submitted,

Jerilyn Erickson, Finance Director