

**CITY OF LAKEVILLE**  
**FINANCE COMMITTEE**  
**December 12, 2018**

1. Chair Bruce Rydeen called the meeting to order at 6:00 p.m. in the Orchard Conference Room.

<b>Member</b>	<b>Present</b>	<b>Absent</b>
Bruce Rydeen, Chair	X	
Barry Fick, Vice Chair	X	
Owen Gohlke	X	
Laird Hanson	X	
Jake Johnson	X	
Darrel Mullenbach		X
John Tuschner	X	

**Staff present:** Jerilyn Erickson, Finance Director

2. **Approval of Agenda**

No changes.

3. **Approval of October 24, 2018 minutes**

Motion by Hanson to approve October 24, 2018 minutes.

Second by Johnston. Ayes: unanimous

4. **City Council Actions**

Erickson discussed the 2019 budget/tax levy and the 2019 fee schedule that were approved by the City Council on December 3, 2018.

5. **Financial Sustainability**

The committee continued its discussion of the topic of financial sustainability. The following is a recommended format along with some suggestions:

- Policy Name
- Define Purpose:
  - To establish parameters that promotes a long-term vision, builds trust and cooperation, sets rules and is fair;
  - To define outcomes that result in long-term financial sustainability and stability;
  - To establish a strategy that emphasizes planning and transparency.
- Process:
  - One that gets everyone on board (i.e. Envision Lakeville);
  - Emphasis on planning and transparency.
- Outcomes:
  - Manage city finances;

- Managing debt;
- Strategy
  - Make sure to include the current practices from memo (i.e. utility rate model);
  - Establish a policy to fully fund depreciation (Capital Improvement Policy);
  - List things that staff is already doing.

The committee will continue discussion at the next meeting.

## 6. Debt Policy

The draft debt policy was reviewed. Recommendations included eliminating 3g and 3h (use of derivatives) and defining “short-term” in 3f.

Motion by Hanson, seconded by Gohlke, to adopt the Debt Policy with the recommended changes.

The Debt Policy will be presented at the January 28, 2019, City Council workshop.

## 7. Future Meeting Topics

Continue discussion of financial sustainability at February 2019 meeting.

Schedule to present recommendations to City Council:

- Debt Policy Amendment - January, 2019;
- Financial Sustainability – March, 2019;
- Recommend that the City Council incorporate the Debt Service Strategy and Financial Sustainability into City policy.

## 8. Announcements

The Advisory Dinner will be held on February 28, 2019. Invitations will be sent out to all members.

## 8. Next Meeting

Scheduled for February 12, 2019, Tuesday, at 6 pm. Should have feedback from debt policy discussion from January City Council workshop; finalize financial sustainability policy; present financial sustainability topic at the March City Council workshop.

## 9. Adjourn

The meeting adjourned at 7:25 pm.

Respectfully submitted,

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Jerilyn Erickson, Finance Director