



Regular City Council Meeting Minutes
City Hall Council Chambers, 2660 Civic Center Drive
Monday, March 18, 2024

1. Roll Call

Mayor Roe called the meeting to order at approximately 6:00 p.m. Voting and Seating Order: Etten, Schroeder, Groff, Strahan, and Roe. Assistant City Manager Rebecca Olson and City Attorney Rachel Tierney were also present.

2. Pledge of Allegiance

3. Approve Agenda

Strahan moved, Etten seconded, approval of the agenda as presented.

Roll Call

Ayes: Etten, Schroeder, Groff, Strahan, and Roe.

Nays: None.

4. Public Comment

Mayor Roe called for public comment by members of the audience on any non-agenda items. No one came forward to speak.

5. Recognitions, Donations, and Communications

a. Proclaim April 26, 2024 Roseville Arbor Day.

Mayor Roe read the Arbor Day Proclamation.

Etten moved, Groff seconded, proclaiming April 26, 2024 as Roseville Arbor Day.

Roll Call

Ayes: Etten, Schroeder, Groff, Strahan, and Roe.

Nays: None.

b. Proclaim April 2024 as Fair Housing Month

Mayor Roe read the Fair Housing Month Proclamation.

Groff moved, Strahan seconded, proclaiming April 2024 Fair Housing Month.

Councilmember Strahan stated she appreciated the efforts of the City's Community Development Department and EDA in making this a living, breathing proclamation and something that should benefit the City. She is proud of the work staff has brought forward to the Council and have approved.

Mayor Roe noted that the adoption of this proclamation is hand in hand with those efforts and is part of being accepted by the Met Council as working towards the housing goals that are set for the City of Roseville. It is important that this is done and to also have the policies in place and actions to back that up.

Roll Call

Ayes: Etten, Schroeder, Groff, Strahan, and Roe.

Nays: None.

c. Recognition of Outgoing Commissioners

Mayor Roe and the City Council recognized the outgoing Commissioners of the various Commissions in the City. Five Commissioners leaving terms in 2024 and three additional past Commissioners.

Ms. Olson gave a presentation to the City Council. She indicated the following Commissioners are leaving:

Finance Commission:

Wanda Davies

Human Rights, Inclusion and Engagement Commission:

Amanda Becker, William Hill, Kathryn Macomber, Laura Palmquist and Lori-Anne Williams

Parks and Recreation Commission:

Darrell Baggenstoss, Leah Ybarra

Mayor Roe presented a certificate to Kathryn Macomber for her service on the Human Rights, Inclusion and Engagement Commission and thanked her for her service.

Ms. Macomber stated it was an enjoyable time on the Commission and she enjoyed the people she worked with while on the Commission.

6. Items Removed from Consent Agenda

7. Business Items

a. Consider Ordinance Amending Chapter 801 of Roseville City Code, Water Meters

Public Works Director Jesse Freihammer briefly highlighted this item as detailed in the Request for Council Action and related attachments dated March 18, 2024.

Public Comment

Mayor Roe offered an opportunity for public comment.

Mr. Roger Hess, Jr., Wagener Place

Mr. Hess indicated he was always interested in finding out how City fees are determined. He thought it was interesting that the new fee is exactly the same as what the previous deposit was. He wondered if, with the new fee, are the people buying the meter because he assumed it cost \$340. He also wondered with the new fee, are the property owners purchasing the meters with them owning the meters or are there some other expenses that just happen to add up to \$340. He found out last week that the City has not been holding onto the deposit money; it has been spent. He thought it would have been put into a fund with interest added onto it but the City does not have the money to give back. He suggested the City start using the Cash Reserve Fund to pay people back their meter deposits.

Mr. Freihammer explained the meter deposit and the new proposed meter fee is based on the size of the meter and what the City's current cost is and it covers just the cost of the meter.

Mayor Roe assumed from a legal point of view, simply because the homeowner or business owner is paying the City for the cost of the meter, it does not mean they are establishing any kind of ownership interest in the meter; it is still the City's meter.

Mr. Freihammer indicated that was correct. The City Code makes that very clear.

Mayor Roe thought that if a deposit once was made when the home was purchased, the deposit was returned when the home was sold. The next purchaser would pay the deposit at that point. He noted what the City found over time was that really is not necessary to the original purpose and intent of having the deposits. This fee would only affect new meters and new installations.

Mr. Freihammer indicated that was correct.

Mayor Roe explained regarding the City spending all of the deposit money, in reality, the City has the obligation as a deferred liability on the books of the City, that is what a deposit really is. So, it may mean that those funds are fluid, like a bank account, with all of the transactions. But, basically, the City still does have that obligation and needs to pay back to the people that paid the deposit. That obligation is still there while the funds may be moving around as a part of the business of the City.

Strahan moved, Etten seconded, enactment of Ordinance No. 1671 entitled, "An Ordinance Amending Title 8, Section 801.10 of the Roseville City Code to Eliminate the Requirement for a Water Meter Security Deposit and Add the Requirement for a Water Meter Fee"

Roll Call

Ayes: Etten, Schroeder, Groff, Strahan, and Roe.

Nays: None

b. Receive the 2023 Cash Reserve Fund Report and Consider Transfers

Finance Director Michelle Pietrick briefly highlighted this item as detailed in the Request for Council Action and related attachments dated March 18, 2024.

Councilmember Groff indicated, in regard to the one-time infusion money from the State to the registrars to make up the time difference, next year the City will not have that. He wondered how that will be handled.

Ms. Pietrick explained the fund reserves will not be increased above the high level. The City was also successful in getting the fees raised slightly in 2024.

Councilmember Strahan indicated she had two questions. One was regarding the Parks and Recreation Fund. She noted this is not hugely over target but she wondered if there was any fee reconsideration given so that fees or scholarships are equal so it comes a little bit closer and the City continues to provide that value to the residents in a way that they expect.

Ms. Pietrick reminded the Council that the Parks and Recreation Fund is not one hundred percent fee supported. The City does put property tax money into it.

Parks and Recreation Director Matt Johnson explained staff does try to keep fee supported programs to essentially pay for the expenses in the fee column. The City did increase the scholarship uses this year. It is the first time the City has been over ten thousand dollars, which is a positive thing. He explained the programs are still under what similar cities charge for the fees. He thought the fees were fair, but the City does try to keep the fees as low as possible. He noted staff did find that about fifty percent of the scholarship users were hitting the scholarship maximum, which indicates they are using the money. That is a good thing, but it also could indicate that they are not able to take advantage of other programs. It is a fair part of the conversation, but the City does try to keep its fees as low as possible and are pretty intentional on the expense side.

Councilmember Strahan stated, as a follow-up, the Park and Recreation Department needs to take into consideration the summer help this coming year, which will take a cost that had not existed in the past as well as the City raising pay rates a bit to be more competitive for summer staff.

Councilmember Strahan indicated, regarding the license center, she knows the City is having to provide so much more service. She wondered if the City was able to add any staff on a more long-term basis in order to accommodate that with the fees as they were.

Ms. Pietrick indicated staff is actually examining that directly because the City received notice of a retirement in a lead position so staff will shuffle upwards. When the 2024 budget was built, staff did not know that Maplewood was going to close their license center and the City has seen quite an increase in customers. She explained she did run a brief analysis and if the City were to take one of the three-fourths employees and make them full time, the license center would just about break even as to the cost versus the revenues and it was a very conservative analysis. She truly believed that moving one of the employees to full time will break even, allow the license center to serve more customers, and also allow them to expand the hours of the knowledge-based testing. She has put in a request to the City Manager to increase that now and it will be examined again during the budget process.

Councilmember Etten thought it made sense to make that increase even if the City is not going to make a lot of money as it ensures the City is getting quality services to folks coming in. He noted this is a very public part of the work in Roseville and he hears about the Roseville license center all of the time, so the City needs to make sure it remains positive. He indicated he was part of passing of the funds policy, but it bothers him a little bit that the only major department that is having money pulled out is the Parks and Recreation Department. The Police Department or Fire Department are not called out separately or any of the other departments are called out separately. So, the Council never sees if those departments are breaking over. He noted these other departments are all mushed together in the General Fund, so the Council gets a skewed perspective and he felt like one major department is taking all of the departmental level withholdings right now. He noted it frustrates him about that, he felt the policy leaves a lot of departments without scrutiny, and clearly the Parks and Recreation Fund is providing a large amount of money overtime. He appreciated staff has noted this and tracks which departments are providing what. But, it is quite clear that there is only one real department that is doing this right now.

Ms. Pietrick noted in some cities, the Parks and Recreation Department is a part of the General Fund.

Mayor Roe indicated the City of Roseville certainly could do that.

Ms. Pietrick indicated in the City this is two funds. There is the Recreation Fund and the Parks Maintenance Fund. Parks Maintenance is one hundred percent tax supported and as Mr. Johnson noted, the fee-based programs in recreation, the costs, and revenues, try to match. But, there are number of programs that are not fee supported. She indicated this is probably unfair. She explained in her previous job, the excess funds were put into the Capital Improvement Fund. She noted staff already took two hundred thousand dollars out of this Cash Carry-Forward fund and put it into the Parks and Recreation Vehicle and Equipment Fund and that fund

will continue to need financial support, either through levy increases or through future transfers out of the excess Cash Reserve Fund. Staff does internally analyze budget versus actual by department and that is a part of their audit procedures before the auditors come on board. If there is a department that exceeds its budget, it would be reported in the footnotes of the audit.

Councilmember Etten thought this was something for further discussion. His point was not that the department was in the red but, rather, potentially in the black significantly and when the Parks and Recreation Department is in the black, money is taken away. But, when other departments are in the black, the Council does not even know as that is not broken out. It may be a part of the audit process, but the Council does not see that broken down. He was concerned about how this works and that one department is losing accumulated positive cash reserves and the City is not taking money from other departments in the same way that it is being taken from this department.

Mayor Roe thought the difference was that this was much more obvious or apparent because the City has separate funds for the Parks and Recreation Department and the City does not have those same, separate funds for the other departments. On the other hand, he does not completely agree with the characterization as taking money away from Parks and Recreation either because, to the extent, for instance, that it might be property tax money. He noted the City does not levy a tax by department; the City levies a tax and some of it goes to a department.

Councilmember Schroeder explained the EDA is actually called out in the City's operating fund reserve policy yet the Council does not see that fund anywhere. She knows it does not roll into the excess cash reserve but since it is in the policy stating "should maintain a reserve of thirty-five percent", she thought it was important that the Council actually sees the fund where that is at. She noted maybe that is another one that has quite a pile of money and asked if it should be left in the EDA fund or should something be done with that as well. She stated she would like to see that.

Mayor Roe indicated the Council does see it. There are two different things reported and this is specifically to the excess cash fund policy which relates specifically to these funds. There is the annual reporting on just the reserve levels in all of the funds and that is where the Council sees the EDA and all of the capital funds.

Councilmember Schroeder explained the EDA fund is particularly called out because it talks about certain funds at a certain percentage.

Mayor Roe indicated that is the overall Fund Reserve Policy for all of the funds and is the reporting the Council gets on all of the funds in the annual report.

Councilmember Schroeder agreed with Councilmember Etten that more information is better than less information.

Public Comment

Mayor Roe offered an opportunity for public comment with no one coming forward.

Schroeder moved, Groff seconded, to receive the 2023 Cash Reserve fund report showing the transfer of \$162,207 from the Parks & Recreation fund and \$327,318 from the License Center fund to the Cash Reserve fund.

Roll Call

Ayes: Etten, Schroeder, Groff, Strahan, and Roe.

Nays: None

8. Council Direction on Councilmember Initiated Agenda Items

9. Approve Minutes

Comments and corrections to draft minutes had been submitted by the City Council prior to tonight's meeting and those revisions were incorporated into the draft presented in the Council packet.

a. Approve March 4, 2024 City Council Meeting Minutes

Groff moved, Strahan seconded, approval of the March 4, 2024 City Council Meeting Minutes as presented.

Roll Call

Ayes: Schroeder, Groff, Strahan, and Roe.

Nays: None.

Abstain: Etten.

b. Approve February 26, 2024 City Council Meeting Minutes

Etten moved, Schroeder seconded, approval of the February 26, 2024 City Council Meeting Minutes as presented.

Roll Call

Ayes: Etten, Schroeder, Groff, and Roe.

Nays: None.

Abstain: Strahan

10. Approve Consent Agenda

At the request of Mayor Roe, Assistant City Manager Olson briefly reviewed those items being considered under the Consent Agenda; and as detailed in specific Requests for Council Action dated March 18, 2024 and related attachments.

Regular City Council Meeting

Monday, March 18, 2024

Page 8

Groff moved, Etten seconded, approval of the Consent Agenda including claims and payments as presented and detailed.

Roll Call

Ayes: Etten, Schroeder, Groff, Strahan, and Roe.

Nays: None.

a. Approve Payments

ACH Payments	\$2,435,202.91
108934-109036	225,302.48
TOTAL	\$2,660,505.39

b. Approve General Purchases or Sale of Surplus Items Exceeding \$10,000

c. Approve 2 Temporary Gambling Permits

d. Approve Ordinance No. 1672 Amending Title 3, Chapter 314 of the City Code to Amend Text in the 2024 Fee Schedule

e. Receive City Grant Applications Update

f. Approve Agreement for Professional Services for 2024 SCADA Services

g. Approve Drainage Easement Over Lot 17A, Block 1, Owasso Shores Addition

11. Future Agenda Review, Communications, Reports, and Announcements – Council and City Manager

Assistant City Manager Rebecca Olson reviewed the April 8, 2024 City Council meeting, April 15, 2024 City Council Workshop meeting and the April 22, 2024 City Council meeting.

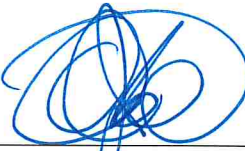
12. Adjourn

Schroeder moved, Strahan seconded, adjournment of the meeting at approximately 6:53 p.m.

Roll Call

Ayes: Etten, Schroeder, Groff, Strahan, and Roe.

Nays: None.



Daniel J. Roe, Mayor

ATTEST:



Rebecca Olson, Assistant City Manager