



Finance Commission Agenda

Tuesday, June 10, 2025

6:30 PM

City Council Chambers

(Any times listed are approximate – please note that items may be earlier or later than listed on the agenda)

1. **Roll Call -Barclay, Bester, Dahir, Davy, Kanzenbach, Tupy, Vervoort**
2. **Approval of Agenda**
3. **Receive Public Comment**
4. **Approval of Meeting Minutes**
 - a. Approve Minutes from May 13, 2025
5. **Business Items**
 - a. Review Finance Commission Recommendation Tracking Report
 - b. Continued discussion on Joint meeting with City Council
 - c. Maintenance and Operations Center Update/Discussion
6. **Other Business**
 - a. Staff Update
 - b. Future meeting topics and work plan
7. **Adjourn**

Roseville Finance Commission Agenda Item

DATE: June 10, 2025

ITEM: 4.a.

ITEM DESCRIPTION: Approve Minutes from May 13, 2025

Background

As an advisory commission to the City Council, the Finance Commission's discussions and recommendations play an important role in setting City policies and influencing decisions on programs and services.

To ensure an accurate historical account of the Finance Commission's activities are preserved, the City maintains a practice of keeping meeting minutes. The attached file contains the draft minutes from the May 13, 2025 meeting. The Commission is asked to review the minutes and identify any typos, errors or inaccuracies of the discussion that took place.

Where applicable, Commission members are asked to identify any necessary corrections at the meeting. The Commission should subsequently vote to approve the amended (if necessary) minutes. Once the minutes are approved, they become part of the City's permanent records.

Recommendation

Amend (as necessary) and approve the Finance Commission meeting minutes for the May 13, 2025 meeting.

Attachments

1. FC Minutes-5132025

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**Finance Commission
Meeting Minutes
DRAFT – May 13, 2025 - DRAFT**

Roll Call/Announcements

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

Commissioners Present: Sifa Barclay, Bruce Bester, Sadiq Dahir, Kevin Davy, and Ray Kanzenbach

Commissioners Absent: Joe Tupy and Anna Vervoort

Staff Present: Finance Director Michelle Pietrick

Receive Public Comments

Since no one was present wishing to speak to the Commission on an item not on the agenda, the Chair moved on to the following agenda item.

Approval of Meeting Minutes

The April 8, 2025, meeting minutes were approved, as amended, by general consensus.

Receive the 2024 Annual Audit and Financial Reports

Chair Bester introduced the review of the annual audit and mentioned attending the city council meeting to compare information. He emphasized the council’s expectation for the Finance Commission to take a deeper dive into the information presented.

Finance Director Michelle Pietrick introduced Ms. Rebecca Petersen from Redpath & Company, LLC, who performed the audit of the 2024 financial statements.

Ms. Rebecca Petersen began her presentation, explaining the purpose of the audit and the primary goal of offering an opinion on the financial statements. She described the first report issued in conjunction with the audit, which was the opinion on the financial statements. She mentioned the clean or unmodified opinion, indicating the financial statements were fairly presented in material respects.

Ms. Petersen discussed the Certificate of Achievement Program, highlighting the city’s adherence to the program’s requirements. She reviewed the internal controls report and explained the auditor’s understanding of the city’s internal controls and processes.

47 Ms. Petersen discussed the report on Minnesota legal compliance, noting no instances of non-
48 compliance were identified. The report on federal program compliance was reviewed, with a
49 focus on the significant ARPA expenditures and the lack of reportable cases of non-compliance.
50 The final report issue was a letter to governance, which included new accounting policies and
51 significant estimates. The most significant new standard discussed was the uncompensated
52 absences standard, which standardizes the accrual of liabilities for paid time off (PTO), vacation,
53 and sick leave.

54
55 Ms. Petersen presented a summary of the annual activity for the governmental funds,
56 highlighting the significant change in the capital project fund due to TIF collections and public
57 safety aid. The general fund budget-to-actual review was conducted, noting that revenues were in
58 line with the budget, expenditures were under budget, and a transfer out for public safety aid was
59 discussed. The general fund balance was discussed, emphasizing the need for sufficient reserves
60 to bridge the gap between one property tax payment and the next. The city's fund balance policy
61 was explained, aiming to maintain a fund balance of thirty-five to fifty percent of the following
62 year's budgeted expenditures.

63
64 Ms. Petersen reviewed the water utility fund, noting the gap between operating expenses and
65 operating revenue, as well as the impact of utility rate studies. The sewer fund was discussed,
66 highlighting the healthier gap between operating expenses and operating revenue. The storm
67 drainage fund was reviewed, noting the impact of utility rate studies and the need for future rate
68 increases. The golf course fund was discussed, with Ms. Petersen explaining the challenges of
69 managing recreation funds and the importance of long-term revenue to cover operating expenses.

70
71 Ms. Petersen presented the solid waste recycling fund, noting the need for a grant to cover
72 expenses and the impact of payment periods on costs.

73
74 The discussion shifted to tax collections with Commissioner Kanzenbach raising concerns about
75 the ninety percent tax collection rate and the impact of property tax petitions.

76
77 Ms. Pietrick explained the process of tax petitions and the potential for additional collections.

78
79 The conversation touched on the importance of maintaining a healthy fund balance and the
80 impact of rising costs on future budgeting.

81
82 The discussion shifted to the city's debt and long-term liabilities, with Ms. Pietrick explaining
83 the historical approach of paying cash for capital needs. The impact of the capital improvement
84 plan on future debt issuance was discussed, with Ms. Pietrick noting the need to issue debt for
85 significant projects. The conversation highlighted the city's low debt load and the benefits of
86 having substantial cash reserves. The importance of matching the life of an asset with the
87 benefiting party was emphasized by paying for it.

88
89 The discussion covered investment earnings, with Ms. Pietrick explaining the impact of market-
90 to-market adjustments and the importance of short-term investments.

91

92 The budget-to-actual statements were reviewed, with Ms. Petersen explaining the requirement to
93 present these statements for the general fund and significant special revenue funds. The
94 conversation emphasized the importance of understanding revenue and expense fluctuations for
95 practical budgeting purposes. The need for a deeper dive into the city’s finances to educate the
96 council during the budget process was emphasized.

97
98 The discussion concluded with an emphasis on the importance of further research into tax
99 collections and the potential benefits of investing in equities. The need for a resolution to be
100 brought back to the council regarding investment in equities was highlighted.

101
102 The conversation touched on the impact of staffing changes on the finance department and the
103 importance of maintaining a healthy fund balance.

104

105 **Receive Finance Commission Recommendations Tracking Report**

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107 Chair Bester reviewed the Finance Commission Tracking Report.

108

109 **Items for Discussion at a Joint Meeting with City Council**

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111 Finance Director Pietrick stated the next steps include preparing for the joint meeting with the
112 city council and continuing discussions on budgeting and investment strategies.

113

114 The finance commission discussed fiscal disparity and investment strategies.

115

116 Chair Bester mentioned the Delta should be eight percent, but acknowledged it would not be. He
117 suggested leaving the topic off the agenda for the joint meeting. He asked if there were any other
118 topics to include in the joint meeting.

119

120 Chair Bester noted a significant disparity in thoughts between Commissioner Kanzenbach and
121 himself and suggested a cup of coffee to discuss further.

122

123 **Maintenance and Operations Center Update/Discussion**

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125 Finance Director Michelle Pietrick updated the commission on the Maintenance and Operations
126 Center. She mentioned hiring an architect to evaluate the reuse of parts of the old maintenance
127 facility, which would be presented to the city council later this month. She noted that the
128 Department of Revenue will start collecting local sales tax beginning July 1.

129

130 Chair Bester questioned the separation of the sales tax proposal into two pieces.

131

132 Ms. Pietrick cited statutory requirements. She explained the need to list each project individually
133 for the local sales tax option on the ballot. She mentioned that one project had passed, while the
134 other did not for use of sales tax.

135

136 Commissioner Kanzenbach noted a decrease in activity levels now that the deadline has passed;
137 however, the staff remained busy.

138

139 Ms. Pietrick described the long lines at the license and passport centers, indicating high demand.

140

141 Commissioner Dahir shared his experience of visiting the passport center and noted the ease of
142 obtaining a passport compared to a real ID.

143

144 Commissioner Kanzenbach praised the staff for their hard work.

145

146 Commissioner Barclay inquired about the staffing levels at the service centers, noting they were
147 sometimes low due to vacations.

148

149 Ms. Pietrick explained that the license and passport centers were a regional drop-in center,
150 especially since Maplewood closed their driver license center. She mentioned that the license/
151 passport service contributed \$200,000 to the general fund and was primarily a community
152 service.

153

154 Commissioner Kanzenbach inquired about the fee limit for passport services.

155

156 Ms. Pietrick clarified that the federal government sets fees for passports, and they were at the
157 maximum allowed. She noted that the costs for driver's licenses were increased last year by
158 statute, contributing to additional revenue.

159

160 **Identify Discussion Items for the Future Meeting**

161

162 Finance Director Michelle Pietrick stated that the next agenda would include discussions on
163 finalizing items for the joint city council-finance commission meeting and receiving an update
164 on the maintenance and operations center.

165

166 **Adjourn**

167

168 Chair Bester adjourned the meeting at 8:28 p.m.

Roseville Finance Commission Agenda Item

DATE: June 10, 2025

ITEM: 5.a.

ITEM DESCRIPTION: Review Finance Commission Recommendation Tracking Report

Background

A summary of the Finance Commission's recent recommendations submitted to the City Council is included in Attachment 1 for review. The report has been updated to reflect on items that have been closed or added per Commissioner Bester.

Recommendation

For review and discussion purposes only. No formal Commission action is necessary.

Attachments

1. Tracking Report

**Roseville Finance Commission
Recommendation Tracking Report
Report Date - June 10, 2025**

No.	Recommendation	Description	Date Recommend	Date Presented	Status	Discussion and Next Steps
2023-01	Finance Commission recommends that steps be taken to begin to act on incorporating limited equities in the City's investment portfolio.	Option to permit limited investment in equity investments	3/14/2023	3/14/2023	Pending	On 4/25/22 the City Council approved expanded Investment Policy language to permit limited use of equity investments.
2023-01	Finance Commission recommends that steps be taken to begin to act on incorporating limited equities in the City's investment portfolio.	Option to permit limited investment in equity investments	6/17/2024	6/17/2024	Received	On 6/17/24 the Finance Commission in its annual joint meeting with the City Council, presented a recommendation for limited investment in equities.
2025-01	Finance Commission recommends revisions to the Capital Investment Policy	Raise capitalization threshold from \$10,000 to \$25,000. Also require individual assets to be at least \$5,000 when the aggregate purchase is greater than \$100,000.	3/12/2025	4/7/2025	Approved	Recommending these updates to the City Council at the next suitable time - 4/7/25
2025-02	Finance Commission recommends that steps be taken to (1) understand what is causing this reduction in collections (2) understand what can be done to speed the process of collections (3) provide an estimate of the percentage of uncollected levy for 2025, (4) prepare a plan of action to mitigate this slowdown in collections.	See page 127 of the 2024 ACFR. Collections on levied property taxes averaged 90.67% for the 3 years 2022, 2023, 2024. Collections for the preceding years 2019, 2020, and 2021 averaged 99.04%.	5/13/2025		Pending	The uncollected amount increased by some \$2.2 million per year when comparing latest 3 years to previous 3 years.

Roseville Finance Commission Recommendation Tracking Report - Definitions

Status	Definition
Pending	Recommendation has not yet been presented to the City Council
Received	Recommendation has been received by the City Council but has not received a formal reply or action
Accepted	<u>Recommendation has been accepted by the City Council but action has not yet been taken</u>
Rejected	Recommendation has been rejected by the City Council and will not move further
Implemented	Recommendation has been accepted by the City Council and action has been implemented
Rescinded	Recommendation has been rescinded by the Finance Commission
Received -	Recommendation has been received by the City Council but has not received a formal reply or action and will be considered closed from future updates tracking.
Closed	Recommendation has been received by the City Council and returned to the Commission for modifications or further development.
Received -	
Further Development	

Roseville Finance Commission Agenda Item

DATE: June 10, 2025

ITEM: 5.b.

ITEM DESCRIPTION: Continued discussion on Joint meeting with City Council

Background

The Finance Commission has a joint meeting with the City Council on June 16, 2025, for the purposes of reviewing the Commission's activities during the past year, to receive any Commission guidance or recommendations, and to discuss the Commission's workplan for the current year.

Since the last joint meeting on June 17, 2024, the Finance Commission has conducted the following discussions or activities:

- Reviewed excess cash reserve fund for 2024
- Received and reviewed 2024 audit reports
- Reviewed and made recommendation on refunding water meter deposits
- Reviewed and made recommendations on the 2025-2044 Capital Improvement Plan
- Reviewed and provided recommendations on the 2025 Budget, Tax Levy and Utility Rates
- Reviewed the Utility Rate Study
- Reviewed and obtained understanding of Fiscal Disparities
- Reviewed and obtained understanding regarding how the city staff budget is built
- Reviewed 2024 Investment Portfolio performance

The Finance Commission should determine who will be presenting the various topics – past accomplishments, current workplan, etc.

Recommendation

Discussion on topics and preparation of recommendations for City Council consideration at a Joint City Council-Finance Commission meeting.

Attachments

None

Roseville Finance Commission Agenda Item

DATE: June 10, 2025

ITEM: 5.c.

ITEM DESCRIPTION: Maintenance and Operations Center Update/Discussion

Background

At each meeting throughout the planning and construction process, staff will provide updates on the progress of the Maintenance and Operations Center. The February 11th Commission meeting contained a lot of information with regard to this project and it is recommended that Commission members bring this information to each meeting for reference.

Recommendation

No recommendation at this time.

Attachments

None

Roseville Finance Commission

2025 Meeting Topics & Calendar

Month	2025 Discussion Topics (Tentative)
January 14	<ul style="list-style-type: none"> ▪ CANCELLED
February 11	<ul style="list-style-type: none"> ▪ Maintenance and Operations Center update
March 12 Wednesday	<ul style="list-style-type: none"> ▪ Select Chair, Vice-Chair, and Ethics Commission Representative ▪ Review 2024 Investment Portfolio performance ▪ Capital Investment Policy review updates ▪ Maintenance and Operations Center update
April 8	<ul style="list-style-type: none"> ▪ Oath of Office by new Commissioner ▪ Review 2024 preliminary year-end cash reserve levels ▪ Maintenance and Operations Center update
May 13	<ul style="list-style-type: none"> ▪ Discuss items for Joint City Council-Finance Commission meeting ▪ Review 2024 Audit Reports ▪ Maintenance and Operations Center update
June 10	<ul style="list-style-type: none"> ▪ Finalize discussion items for joint City Council-Finance Commission meeting ▪ Maintenance and Operations Center update
July 8	<ul style="list-style-type: none"> ▪ 2026-2045 Capital Improvement Plan review #1 ▪ Maintenance and Operations Center update
August 27 * Wednesday	<ul style="list-style-type: none"> ▪ Discuss the 2026 City Manager Recommended Budget & Tax Levy ▪ 2026-2045 Capital Improvement Plan review #2 ▪ Maintenance and Operations Center update
September 9	<ul style="list-style-type: none"> ▪ Establish Recommendation on 2026 City Manager Recommended Budget & Tax Levy ▪ Establish Recommendation on 2026-2045 Capital Improvement Plan ▪ Maintenance and Operations Center update
September 15	<ul style="list-style-type: none"> ▪ Present Budget Recommendation to City Council ▪ Maintenance and Operations Center update
October 14	<ul style="list-style-type: none"> ▪ Update on the Council-adopted 2026 preliminary Budget & Tax Levy ▪ Review and adopt a recommendation on the 2026 proposed utility rates ▪ Maintenance and Operations Center update
November 12 Wednesday	<ul style="list-style-type: none"> ▪ Adopt 2026 Meeting Calendar ▪ Adopt 2026 Work Plan ▪ Maintenance and Operations Center update