City of
ROSEVILLE
Minnesota, USA

Regular City Council Meeting Minutes
City Hall Council Chambers, 2660 Civic Center Drive
Monday, August 25, 2025

1. **Roll Call**
Mayor Roe called the meeting to order at approximately 6:00 p.m. Voting and Seating Order: Schroeder, Groff, Bauer, Strahan, and Roe. City Manager Patrick Trudgeon and City Attorney Rachel Tierney were also present.

2. **Pledge of Allegiance**

3. **Approve Agenda**
   a. City Manager Trudgeon requested the removal of Item 7H (Consider a Request to Perform an Abatement for Unresolved Violations of City Code at 2407 Dale Street) from the agenda due to the violation being corrected.

Groff moved, Strahan seconded, approval of the agenda as amended.

Roll Call
Ayes: Schroeder, Groff, Bauer, Strahan, and Roe.
Nays: None.

4. **Public Comment**
Mayor Roe called for public comment by audience members on non-agenda items.

Mr. David Winter, 2060 Lindy Avenue, asked the Council to possibly authorize staff to make Lindy a no-parking zone on both sides of the road during the State Fair. He indicated that when people park on the street, there is no way for emergency vehicles to get through if needed. He noted that he had tried to call staff and the council regarding this matter, and the only one who responded was Councilmember Groff, to whom he expressed his gratitude.

Mayor Roe asked Mr. Trudgeon if staff could look into this, if not for this year, then for next year moving forward. He thought that the City had a process to review the parking restrictions with the neighbors on a periodic basis, and adjustments can be made based on neighbor input.

5. **Recognitions, Donations, and Communications**
   a. **National Recovery Month Suicide and Overdose Awareness Month**
   Mayor Roe read the National Recovery Month Suicide and Overdose Awareness Month Proclamation.

   The proclamation highlighted theCity's commitment to mental health, substance use awareness, and recovery support.

Strahan moved, Schroeder seconded, proclaiming September 2025 National Recovery Month Suicide and Overdose Awareness Month.

Council Discussion

Councilmember Strahan mentioned that some families who had brought this issue to her attention but couldn't attend the meeting greatly appreciated the city's effort to address it. These families had been affected by suicide and had concerns about mental health, including their immediate families. She wanted to acknowledge their gratitude for including this issue in the list of essential recognitions and proclamations.

Councilmember Schroeder added that she was glad there was also mention of substance abuse in the proclamation because, often, when other issues are present, substance abuse is involved as well. She expressed that she was glad this was comprehensive.

Mayor Roe thanked Councilmember Strahan for noting that this is a new proclamation for the city, and a significant amount of work was done to incorporate all these different aspects, with a number of recognitions that typically occur around the same time of year. He thought it had worked out quite well, and if any improvements were needed, the city could make them; however, he considered this a very valuable proclamation.

Roll Call

Ayes: Schroeder, Groff, Bauer, Strahan, and Roe.
Nays: None.

6. Items Removed from the Consent Agenda

8. Business Items

a. **Public Hearing to Consider Approving a Liquor License for BRKTHROUGH Rosedale, LLC, located at 1595 Hwy 36 W, Ste 150**

City Manager Patrick Trudgeon briefly highlighted this item as detailed in the Request For Council Action and related attachments dated August 25, 2025.

Mr. Trudgeon noted the applicant was seeking a wine and 3.2 on-sale liquor license for entertainment and restaurant service.

Mayor Roe reviewed public hearing protocol and opened and closed the public hearing at approximately 6:17 p.m. for the purpose of receiving public input on the above-referenced liquor license approval, with no one appearing for or against.

Groff moved, Bauer seconded, approval of the liquor license for BREAKTHROUGH Rosedale, LLC.

Council Discussion

Councilmembers Groff and Bauer extended their best wishes to the company.

Mayor Roe reminded the business about the city's training and documentation requirements, as well as compliance checks conducted throughout the year.

Roll Call
Ayes: Schroeder, Groff, Bauer, Strahan, and Roe.
Nays: None.

b. **Public Hearing and Certification of Unpaid Utility Charges to the Property Tax Roll**
Finance Director Michelle Pietrick briefly highlighted this item as detailed in the Request For Council Action and related attachments dated August 25, 2025.

Ms. Pietrick explained that the report included accounts over 90 days past due, which would be certified to Ramsey County property taxes.

Mayor Roe explained the process of certifying overdue bills for collection by the county.

Mayor Roe reviewed public hearing protocol and opened and closed the public hearing at approximately 6:21 p.m. for the purpose of receiving public input on the above-referenced certifications of unpaid utility charges, with no one appearing for or against.

Schroeder moved, Groff seconded, adoption of Resolution No. 12170 (Attachment 2) entitled, "Resolution Directing the County Auditor to Levy Unpaid Water, Sewer, and Other City Charges for Payable 2010 or Beyond."

Council Discussion

Councilmember Groff stated that the city doesn't like having to do this to residents, but everyone must pay their utility bills.

Roll Call
Ayes: Schroeder, Groff, Bauer, Strahan, and Roe.
Nays: None.

c. **Receive the 2026 City Manager Recommended Budget and Tax Levy**

City Manager Patrick Trudgeon briefly highlighted this item as detailed in the Request For Council Action and related attachments dated August 25, 2025.

Mr. Trudgeon explained that the overall budget was $81.2 million, a 9.6% increase, with personnel costs being the largest category. The proposed levy increase was 7.87%, or about $2.4 million, to maintain existing programs and services. The budget included scenarios for adding public safety personnel with and without grant funding. He discussed the potential use of franchise fees to offset levy increases and support public safety staffing.

Mr. Trudgeon presented scenarios for adding public safety personnel with and without grant funding. The discussion included the cost of hiring 15 firefighters and seven police department employees, with potential levy increases ranging from 7.96% to 13.44%. The introduction of franchise fees on electric and gas utility customers was proposed as an alternative source of revenue. The council was informed about the potential impact of franchise fees on the budget and the possibility of using them to fund capital needs.

Council members inquired about how franchise fees compare to property taxes in terms of their impact on the typical property owner.

Mayor Roe and Councilmember Bauer discussed the impact of franchise fees on property tax levies and the potential savings that could result.

Mayor Roe compared levy increases with and without additional capital spending.

The discussion centered on the possibility of increasing franchise fees to bolster capital funds and support public safety personnel in the years to come.

Mr. Trudgeon outlined the next steps in the budget process, including presenting to the Finance Commission and conducting public hearings.

Councilmember Schroeder asked about the timeline for receiving information on franchise fees impacts versus property taxes.

Mr. Trudgeon replied that the staff should have the necessary information the first week of September and will share that information once it is available.

Councilmember Bauer questioned the fund balance in the EDA and the need for adjustments to maintain cash reserves.

Council members request clarification on fund balances, especially the EDA fund.

Mr. Trudgeon agreed to provide a detailed breakdown of the EDA fund balance and discuss possible adjustments.

Discussion on how fee increases impact parks fee-supported programs and the importance of maintaining balanced costs.

Councilmember Bauer inquired about the cost recovery of park fee programs and the impact of fee increases on revenue.

Mr. Trudgeon confirmed that fee increases are generally a few percentage points and are aimed at covering costs.

Councilmember Bauer questioned the reduction in the building replacement fund.

Mr. Trudgeon explained the difference in project costs between years.

Councilmember Bauer suggested considering deferrals in parks like was previously done with public works projects to help reduce the base budget number.

Mr. Trudgeon confirmed that deferrals were often used to manage costs and that the proposed budget reflected current needs.

The council discussed the importance of balancing capital expenditures and levy increases to maintain financial stability and considered delaying projects to lower the base budget and levy increases.

Mr. Trudgeon described the base budget process, highlighting the use of capital funds for vehicles, equipment, and playgrounds. He mentioned that the city conducts an annual review to postpone or advance expenditures based on needs and financial planning.

Mayor Roe reviewed the presentation graphs on capital funds to visualize annual planned expenditures and revenue sources. He explained that the city faces challenges in setting aside enough money each year to cover rising costs, often resorting to borrowing for large expenditures.

Councilmember Bauer questioned the absence of a formal policy or financial plan for utilizing debt and franchise fees.

Mr. Trudgeon discussed initial talks with Ms. Pietrick and the 2027-2028 expenditures, with an emphasis on long-term assets. The city has evaluated the trade-off between taking on more debt and utilizing franchise fees to maximize funds.

Mayor Roe and Councilmember Bauer discussed the potential benefits of combining debt and revenue sources to free up funds for specific needs.

Mayor Roe highlighted the need to address the police and vehicle equipment replacement fund, which is consistently underfunded.

Mr. Trudgeon observed that the costs for police vehicles have doubled in the past five years, making it difficult to allocate enough funds. The city plans to make minor adjustments to its annual budget to manage these expenses better.

The discussion focused on the potential impact of franchise fees on the police and vehicle equipment fund, with Councilmember Schroeder suggesting a combination of debt and revenue sources to free up funds for critical needs.

Mayor Roe thanked Mr. Trudgeon for the presentation.

d. Discuss Gas and Electric Franchise Ordinances and Gas and Electric Franchise Fees

City Manager Patrick Trudgeon briefly highlighted this item as detailed in the Request For Council Action and related attachments dated August 25, 2025.

Mr. Trudgeon explained the concept of franchise fees, including their legal basis and the necessity of a franchise ordinance. The city has historically had franchise agreements with utilities, which have now expired and require updates.

Mayor Roe and Mr. Trudgeon discussed the potential structure and effects of franchise fees, including negotiations with utilities. The city considers the median franchise fee of $4 per residential unit and the need for further analysis and negotiations.

Public Comment

Mayor Roe offered an opportunity for public comments.

Mr. Roger Hess Jr., Wagener Place

Mr. Hess indicated he has some questions he would like to have answered before the city council makes any decisions. He wondered if the city was approaching its limit on how much it could levy through the general levy, and if so, whether the city would need to find a roundabout way to raise more money from property owners. He also asked if there is an estimate of how much the city would collect annually from properties that do not pay property taxes. If that amount is significant, he could understand it, but if it's just the bare minimum, he believes it should not influence the decision. Additionally, he wondered if city-owned properties are required to pay franchise fees to Xcel Energy.

Mr. John Kysylyczyn, 3083 Victoria Street

Mr. Kysylyczyn explained that he served as mayor of the city from 2000 to 2004 and, surprisingly, has been involved in the state legislature for 30 years as a staff member, citizen lobbyist, or paid lobbyist. Over those 30 years, he attended more than 500 tax committee hearings and participated in approximately two dozen property tax presentations by Senate and House staff. He asked whether the Roseville City Council should redirect millions of dollars typically allocated for property taxes to a new electric and gas utility tax. He stated that answering this question requires a thorough tax analysis to determine if it will benefit or harm Roseville taxpayers. Currently, the city council does not have any analysis before them; they only see the argument that other cities are doing the same, so they think the city should follow suit rather than conduct a proper tax analysis. He also mentioned that the packet he distributed to everyone is a collection of information that should have been provided upfront by city staff.

Mr. Kysylyczyn reviewed the packet of information for the city council. He explained that when he sees a three-million-dollar shift every year from property tax to new electric and gas utility taxes, he notices that every person who currently benefits from the legislature's circuit breaker tax programs is being negatively affected by the shift of costs from the industrial and commercial sector, which pays the majority of taxes in the city. He observed that this shift comes at the expense of residential property taxpayers. He noted that when he hears the term "flat tax" and "flat tax schemes," he thinks of flat taxes that primarily benefit those with the highest incomes and the largest, most profitable businesses. He can't understand why anyone would support that. What he did not hear from the staff was an analysis of the impact of the property tax and circuit breaker programs. He also didn't hear anything about the fact that the city does not maintain any infrastructure for Xcel Energy. This tax does not affect Xcel Energy's profit margins, and he believes any statements suggesting otherwise are incorrect and should be retracted.

Ms. Laurie Stolarzek, 2825 Pascal Street
Ms. Stolarzek explained that her building is a multi-family apartment complex. She stated she understood the importance of controlling the budget and making contingency plans, but what she heard was that the city wanted to impose a franchise tax on only one utility. She wondered why the tax wasn't spread out, such as taxing part of it on liquor and other items, instead of a single lump sum to cover the needed funding. She noted that this year at her apartment building, a ratio-based utility bill system was implemented for all residents. She used to pay a $20 straight services fee per month, but now it will increase to over $50 for water and sewage, which is one and a half times her previous payment. This increase affects her income, and many others face similar issues.

Mr. Karl Crump, Roselawn
Mr. Crump believed the city was trying to be sneaky by labeling this tax a franchise fee. The city is attempting to increase taxes on residents covertly. People would appreciate some honesty; just because others use a franchise fee doesn't make it right, especially when the city is spending a lot of money. He explained that during the presentation, he did not see anything related to this, and he wondered how the

city plans to cut costs. Calling it a franchise fee leaves more room for future levies. He also had questions about staffing needs at the fire and police departments.

Mayor Roe thanked everyone for their comments. If there are questions about staffing related to public safety, he encouraged people to review council meetings from earlier in the year for information or contact the relevant departments.

Recess
Mayor Roe recessed the meeting at approximately 8:05 p.m. and reconvened at approximately 8:10 p.m.

e. Consider a Resolution Approving a Cannabis Combination Business, to include a cannabis retailer with on-site consumption as a CONDITIONAL USE, at 2218 County Road D, Suite 200
City Planner Thomas Paschke briefly highlighted this item as detailed in the Request For Council Action and related attachments dated August 25, 2025.

Mr. Paschke explained that the business will operate as a micro business, offering on-site consumption and retail sales. He noted that the Planning Commission voted 6-1 in support of the conditional use approval.

Mr. Jacob Affeldt, owner of Frostbit Cannabis, addressed the council and shared their background and history. They wanted to ensure that the business would benefit the community as a whole and serve as responsible stewards of the community.

The council discussed the implications of the conditional use approval and the potential for future changes in the business's operations.

Public Comment

Mayor Roe offered an opportunity for public comment, but no one came forward.

Groff moved, Schroeder seconded, adoption of Resolution No. 12171 (Attachment 3) entitled, "Resolution Approving Cannabis Combination Business as a Conditional Use at 2218 County Road D, Suite 200 (PF25-011)."

Council Discussion

Councilmember Groff thought this would be a well-run business in Roseville after reading the materials and comments. He believed it would fill a service that some people are looking for.

Councilmember Schroeder thanked the applicant for providing the council with some history. She believed it was always beneficial to know that capable people were running the business, especially since it was a new industry for the city.

Councilmember Bauer mentioned that this is a new type of business in Roseville, and the city is very interested in collaborating with the owners. He advised reaching out through the city if anything arises. He also explained that it has been a lengthy process for the city to set everything up, including zoning issues, and the city attorney can vouch for that based on their work with the planning commission.

Councilmember Strahan thanked the applicant for sharing their information, which was helpful. She noted that for most people, the idea of a cash-only business can be a little scary due to safety concerns, and she trusts that the applicant will keep that in mind and ensure the area businesses are also safe by providing adequate protection.

Mayor Roe added that this was their first consideration under the new ordinances in Roseville. He thought it was helpful to go through this process and be reminded of some of the aspects the council had considered in their decision-making on those ordinances. It was nice to see the practical application of regulations and ensure that the council could see whether the scheme was working as intended.

Roll Call
Ayes: Schroeder, Groff, Bauer, Strahan, and Roe.
Nays: None

f. Consider a Request to Perform an Abatement for Unresolved Violations of City Code at 1140 Roselawn Avenue West

City Building Official David Englund summarized the request as detailed in the Request for Council Action of this date and noted that a bench handout, incorporated into the Request for Council Action, provides an extract of City Council meeting minutes from August 25, 2025.

Mr. Englund noted the property owner was given multiple opportunities to comply, but some vehicles remain inoperable. He indicated the property owner had recently reached out and noted he would have the vehicles in compliance this week. Therefore, the council could consider staying enforcement to allow that to happen.

Councilmembers discuss the need for timely abatement and the potential for staying enforcement.

Bauer moved, Schroeder seconded, directing Community Development staff to abate the public nuisance violation at 1140 Roselawn Avenue West by notifying a towing company to remove the inoperable vehicles from the property.

Roll Call
Ayes: Schroeder, Groff, Bauer, Strahan, and Roe.
Nays: None.

g. **Consider a Request to Perform an Abatement for Unresolved Violations of City Code at 325 Capital View Avenue West**
City Building Official David Englund summarized the request as detailed in the Request for Council Action of this date and noted that a bench handout, incorporated into the Request for Council Action, provides an extract of City Council meeting minutes from August 25, 2025.

Mr. Englund indicated that the property owner has not responded to multiple notifications and attempts to contact them.

Groff moved, Strahan seconded, to direct Community Development staff to abate the public nuisance violations at 325 Capital View Avenue West, by notifying a towing company to remove the inoperable vehicles and an additional contractor to remove and dispose of items stored outside the property.

Council Discussion

Councilmember Groff thanked Mr. Englund and the department for their persistence and thoroughness in notifying people and even making personal contact. He believed this was the only way forward: to conduct these abatements so that the few residents of Roseville who do this understand that it must be addressed and that there are associated costs and penalties.

Roll Call
Ayes: Schroeder, Groff, Bauer, Strahan, and Roe.
Nays: None.

h. **Consider a Request to Perform an Abatement for Unresolved Violations of City Code at 2407 Dale Street**
This item was removed because the violation has been corrected.

i. **Receive Stormwater Update**
Environmental Manager Ryan Johnson briefly highlighted this item as detailed in the Request For Council Action and related attachments dated August 25, 2025.

Mr. Johnson discussed the city's efforts to address drainage issues and stormwater infrastructure. He explained that the city has a budget of $1.8 million for stormwater capital improvements, including pond maintenance and infrastructure upgrades.

Mr. Johnson highlighted the Willow Pond project, emphasizing the importance of managing stormwater and improving water quality. The city collaborated closely with property owners and community members to address drainage concerns and ensure stormwater management efforts are effective. He discussed how sediment-laden water from construction runoff enters Willow Pond during heavy rain events. The pond's outlet structure failed due to rust caused by iron in the water, necessitating maintenance between 2021 and 2023. Dredging Willow Pond is estimated to cost over $1 million, with 18,000 cubic yards of material to be removed. He also noted that the pond's depth has decreased significantly, from 2.8 feet to 2.2 feet, over the past nine years, resulting in the loss of contours and sediment cores showing substantial changes.

Mr. Johnson reviewed data on Fairview and County Road C pond, discussing the depth and treatment options. The infrastructure of the ponds was described as "ratty," with issues like clogged inlets and outlets. A new overflow outlet was installed to ensure water can still exit if the main outlet clogs.

Mr. Johnson reviewed the Jones Lake project in New Brighton as a future water management initiative that would significantly improve drainage in Roseville. The project was expected to cost $10 million. He discussed its impact on the old Highway 8 and County Road 88 corridors. He explained that the project would help with flood storage and enhance overall drainage in the area. The upcoming six years of pond maintenance projects were outlined, with an emphasis on aligning them with roadway projects. The city has a budget of $585,000 for pond maintenance, which was allocated differently this year to prepare for the dredging of Willow Pond. He noted that the cost of dredging can vary significantly depending on the level of contamination in the material, which affects the overall budget. He invited questions and feedback from the Council regarding the stormwater update and prioritization of projects.

Councilmember Bauer inquired about the timeline for dredging Willow Pond, taking into account the weather conditions.

Mr. Johnson explained that weather conditions can significantly impact the project timeline, especially during warmer winters.

Councilmember Schroeder asked if other ponds could be dredged if Willow Pond was delayed.

Mr. Johnson confirmed that smaller drainage areas could still be managed.

The discussion included the potential for contractors to work on other projects if weather conditions delayed the Willow Pond dredging.

Public Comment

Mayor Roe offered an opportunity for public comment, but no one came forward. He thanked Mr. Johnson for the presentation.

j. **Consideration of Contract Extensions for Civil and Prosecution Legal Services**
Assistant City Manager Rebecca Olson briefly highlighted this item as detailed in the Request For Council Action and related attachments dated August 25, 2025.

Ms. Olson discussed the option to extend contracts for civil and prosecution legal services. The contracts with Kennedy and Graven for civil services and Erickson, Bell, Beckman, and Quinn for prosecution services are due for renewal. She explained that staff conducted a survey of department heads and the city manager, which showed high satisfaction with both services. The council was asked to decide whether to issue a request for proposals or to extend the contracts based on the survey results.

Councilmember Strahan indicated her support for extending the existing professional services agreement, citing high satisfaction and the thorough vetting process that occurred three years ago.

Councilmember Groff agreed, stating that repeating the vetting process every three years was unnecessary and costly.

Councilmember Schroeder questioned the lack of input from council members in the survey.

Mayor Roe explained that council members were involved in the previous renewal process.

Councilmember Bauer advocated for issuing a new request for proposals to potentially lower costs and consolidate vendors.

Public Comment

Mayor Roe offered an opportunity for public comment, but no one came forward.

Strahan moved, Groff seconded, extending the professional services agreement with Kennedy & Graven (civil legal services) and/or Erickson, Bell, Beckman & Quinn (prosecution services) for an additional 3-year term.

Roll Call
Ayes: Groff, Strahan, and Roe.
Nays: Schroeder, Bauer.

k. **Appoint Commissioner to the Public Works, Environment, and Transportation Commission**

Mayor Roe briefly highlighted this item as detailed in the Request For Council Action and related attachments dated August 25, 2025.

At the request of the council Mr. Trudgeon presented a summary recommendation from PWETC Chair Ficek. The appointment was based on the chair's recommendation, considering the candidate's prior experience, demeanor, and ability to bring gender balance to the commission.

Strahan moved, Groff seconded, appointing Katie Brokaw Palalay to the Public Works, Environment, and Transportation Commission for a partial term ending March 31, 2027.

Roll Call
Ayes: Schroeder, Groff, Bauer, Strahan, and Roe.
Nays: None

9. Council Direction on Councilmember Initiated Agenda Items

10. Approve Minutes
The City Council submitted comments and corrections to the draft minutes prior to tonight's meeting, and those revisions were incorporated into the draft presented in the Council packet.

a. Approve August 11, 2025, City Council Meeting Minutes
Groff moved, Bauer seconded, approval of the August 11, 2025, City Council Meeting Minutes as presented.

Roll Call
Ayes: Schroeder, Groff, Bauer, Strahan, and Roe.
Nays: None.

11. Approve Consent Agenda
At Mayor Roe's request, City Manager Trudgeon briefly reviewed the items being considered under the Consent Agenda, as detailed in specific Requests for Council Action dated August 25, 2025, and related attachments.

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

Roll Call
Ayes: Schroeder, Groff, Bauer, Strahan, and Roe.
Nays: None.

a. Approve Payments

ACH Payments	$1,402,034.75

113330 - 113458	2,287,749.79
TOTAL	**$3,689,784.54**

b. **Approve 1 Massage Therapy Establishment License**
c. **Approve General Purchases or Sale of Surplus Items Exceeding $10,000**
d. **Approve Termination of Easements – PIK Pacel**
e. **Authorization to enter into an Agreement with MetLife for Group Insurance Benefits and Paid Family and Medical Leave Administration**
f. **Approve Grant Contract Agreement with the Minnesota Department of Public Safety and Accept Auto Theft Prevention Grant Funds**
g. **Approve Contract with State to Utilize Building Located at 1500 Highway 36 West for Fire Department Training**

Councilmember Strahan commended the staff's efforts to secure a better deal with MetLife for paid family and medical leave.

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

City Manager Patrick Trudgeon reviewed the September 8, 2025, City Council meeting, the September 15, 2025, EDA and City Council meeting, the September 22, 2025, City Council meeting, and the upcoming meetings for October and November.

13. Adjourn

Groff moved, Bauer seconded, adjournment of the meeting at approximately 9:14 p.m.

Roll Call

Ayes: Schroeder, Groff, Bauer, Strahan, and Roe.
Nays: None.

Daniel J. Roe, Mayor

ATTEST:

Patrick J. Trudgeon, City Manager