

1 **Finance Commission**  
2 **Meeting Minutes**  
3 **August 27, 2025**  
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6 **Roll Call/Announcements**  
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8 Chair Bester called for a moment of silence for fellow commissioner Joe Tupy, who is struggling  
9 with health issues. Commissioner Davy asked for a moment of silence for the Minneapolis  
10 school shooting tragedy that occurred today.  
11

12 The Finance Commission (FC) meeting was called to order at 6:30 p.m. Chair Bester called the  
13 roll.  
14

15 **Commissioners Present:** Siafa Barclay, Bruce Bester, Sadiq Dahir, Kevin Davy, Raye  
16 Kanzenbach, and Anna Vervoort  
17

18 **Youth Commissioners Present:** Aldo Bergquist  
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20 **Commissioners Absent:** Joe Tupy  
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22 **Staff Present:** Finance Director Michelle Pietrick  
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25 **Swearing in of Youth Commission Member**

26 Chair Bester administered the Oath of Office to youth commissioner Aldo Bergquist.  
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28

29 **Receive Public Comments**  
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31 There being no one present wishing to speak to the Commission on an item not on the agenda,  
32 the Chair moved to the next agenda item.  
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35 **Approval of Meeting Minutes**  
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37 Commissioner Kanzenbach stated his name was misspelled in multiple places.  
38

39 Commissioner Davy moved, seconded by Commissioner Vervoort, to approve the meeting  
40 minutes from June 10, 2025, and July 8, 2025, as amended. The motion carried unanimously.  
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43 **Receive and Discuss 2026 City Manager's Preliminary Budget, Levy, and Scenarios**  
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45 City Manager Patrick Trudgeon introduced the 2026 budget, highlighting increased staffing  
46 needs for police and fire departments and rising costs. The budget included several scenarios

47 with different levy increase thresholds. He explained the preliminary levy amount set by state  
48 law, which must be finalized by the end of September. He noted the city council will hold a  
49 public hearing on the budget in December and make the final levy decision on December 8th.  
50

51 Mr. Trudgeon presented the 2026 budget, highlighting a total of \$81 million, which reflects a  
52 9.6% increase. The budget included major components such as personnel costs, capital outlay,  
53 and utility fees. The base budget keeps the status quo, with no new staff or program additions or  
54 cuts. The budget was divided into different funds, with the general fund and park and recreation  
55 fund primarily funded by the levy.  
56

57 Mr. Trudgeon explained the \$7.1 million increase, with \$4.4 million attributed to capital outlay  
58 and \$1.5 million to personnel costs. The rise in personnel expenses included step increases,  
59 insurance costs, cost-of-living adjustments, and new paid family medical leave requirements.  
60 The budget also accounted for the use of grant funds and existing balances to offset levy  
61 increases. The debt service for the electric fire engine was a notable new expense, adding  
62 \$334,000 to the levy.  
63

64 Mr. Trudgeon outlined scenarios for adding public safety positions, including 15 firefighters and  
65 seven police officers. The scenarios consider the potential impact of grants, with the fire  
66 department applying for a safer grant and the police department applying for a COPS grant. The  
67 base budget levy increase is 7.87%, with additional increases if public safety positions are added.  
68 The city council will review these scenarios and the possible use of franchise fees to help fund  
69 public safety positions.  
70

71 Mr. Trudgeon explained the concept of franchise fees, which would be added to utility bills to  
72 help fund public safety positions. The fees would primarily benefit right-of-way infrastructure  
73 funds, with potential reallocation of levy dollars to operational needs. The city council would  
74 need to approve the franchise fee ordinance and negotiate the specifics with utility providers.  
75 The franchise fees would also apply to tax-exempt properties, providing a broader revenue base.  
76

77 Mr. Trudgeon outlined the potential effects of franchise fees on the budget, including boosting  
78 capital funds and freeing up levy dollars for operational costs. The franchise fees would help  
79 reduce the need for large levy increases, making the budget more acceptable for residents. The  
80 city council would need to consider the advantages and disadvantages of franchise fees, taking  
81 into account their broader impact on the community. The budget scenarios included using  
82 franchise fees to fund public safety positions, with possible adjustments based on grant awards.  
83

84 Mr. Trudgeon emphasized the importance of planning for future budget cycles, taking into  
85 account the effects of grants and rising expenses. The city council might consider increasing  
86 franchise fees annually to support ongoing public safety efforts. The budget process would  
87 include ongoing discussions and adjustments based on grant awards and community needs. The  
88 city council must balance the need for public safety staffing with the financial impact on  
89 residents and tax-exempt properties.  
90

91 Mr. Trudgeon discussed public safety staffing and grant applicants, and indicated that the city  
92 council will need to decide on the timing and number of new public safety positions, considering  
93 the potential impact of grants. The council may choose to phase in new positions based on grant  
94 awards and the overall budget impact. He noted he will provide updates on grant applications  
95 and their potential impact on the budget. The council will also need to consider the long-term  
96 financial sustainability of the budget, balancing public safety needs with fiscal responsibility.

97  
98 The commission questioned the budget, including the effects of franchise fees, the schedule for  
99 new public safety roles, and grant utilization.

100  
101 Mr. Trudgeon responded thoroughly to questions about the budget, explaining the different  
102 scenarios and the possible effects of franchise fees.

103  
104 The commission raised concerns about the overall budget impact and emphasized the importance  
105 of clear communication with the community. It noted that the city council must carefully  
106 evaluate the budget options and make informed decisions based on community needs and  
107 financial limitations.

108  
109 Commissioner Davy discussed how BLS calls affect advanced life support resources, noting that  
110 less trained personnel can handle these calls. He pointed out that having multiple trucks and  
111 personnel at a single scene is inefficient and can lead to patient dissatisfaction.

112  
113 Chair Bester presented a one-page summary of the base budget, revenues, expenses, and  
114 interfund transfers, highlighting significant losses absorbed by fund balances.

115  
116 Mr. Trudgeon suggested making extra copies of the summary for public access and record-  
117 keeping.

118  
119 Chair Bester asked if anyone in the audience wished to speak.

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121 Mr. Karl Krump from Roselawn Avenue expressed concerns about the unexpected rise in police  
122 and fire calls and the insufficient resources to manage them. He recommended further discussion  
123 with Alina and the Roseville Fire Department to address the problem before allocating more  
124 funds. He pointed out that the utility fee functions as a regressive tax since low-income residents  
125 cannot apply for property tax refunds as they can with property taxes. He called for transparency  
126 in taxation and suggested providing low-income residents with an opportunity to recover some of  
127 their money through property tax refunds.

128  
129 Mr. John Kysylyczyn, 3083 Victoria Street, presented a detailed analysis of the proposed shift  
130 from property tax to a new electric and gas utility tax. He highlighted the absence of a tax  
131 analysis to assess the impact on Roseville taxpayers. He explained the property tax circuit  
132 breaker programs in Minnesota, which protect homeowners and renters with high taxes and low  
133 incomes. He argued that there are no circuit breaker programs for utility taxes or sales taxes,  
134 making the proposed shift a poor tax policy.

135

136 Mr. Kysylyczyn discussed how the property tax shift would impact low-income residents,  
137 including senior citizens, disabled veterans, and minority groups. He explained that the shift  
138 would weaken programs like the home heating assistance program by reducing financial aid  
139 effectiveness. He argued that the proposed tax shift was a political gimmick designed to avoid  
140 requesting a 14% property tax increase. He also mentioned potential legal challenges to the tax  
141 shift, comparing it to a similar case in St. Paul.

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143 Chair Bester thanked the residents for their input.

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#### 146 **Receive Finance Commission Recommendations Tracking Report**

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148 Chair Bester reviewed the Finance Commission Tracking Report.

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#### 151 **Review Capital Improvement Plan Alternative Funding Strategies**

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153 Finance Director Pietrick provided an update on the Capital Improvement Plan (CIP), including  
154 funding needs and the effects of franchise fees and levy reallocations. The CIP covered funding  
155 for levy-supported funds, and the utility funds updates on the sanitary sewer fund and storm  
156 sewer fund.

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#### 159 **Maintenance and Operations Center Update**

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161 Finance Director Pietrick reported on the progress of the Maintenance Operations Center and the  
162 License and Passport Center. Proposals for architectural services and a construction manager are  
163 currently under review.

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166 Finance Director Pietrick explained that the sales tax was implemented on July 1, and the first  
167 payment is expected from the Department of Revenue in September

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170 Chair Bester raised concerns about the space and equipment requirements for the new operations  
171 center.

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174 Ms. Pietrick reassured the commission that some space would be freed up on the lower level of  
175 City Hall, and the police department had the greatest need for additional space.

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#### 178 **Receive Second Quarter Financial Report**

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180 Ms. Pietrick presented the second quarter financial report, highlighting deviations from the 50%  
benchmark caused by the timing of property taxes and other revenue sources.

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181 **Commission Direction on Member-Initiated Agenda Items**

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184 **Future Meeting Topics and Work Plan**

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186 Ms. Pietrick indicated that the next meeting would include budget discussions to arrive at a  
187 recommendation scheduled for September 9, 2025.

188

189 Commissioner Kanzenbach questioned how franchise fees affect low-income residents and  
190 whether the state circuit breaker program is still relevant.

191

192 Ms. Pietrick explained the challenge in estimating the precise impact on low-income residents  
193 because of the need for non-public data.

194

195 The discussion between Ms. Pietrick and the commission highlighted the advantages and  
196 disadvantages of the franchise fee, with some commissioners expressing concerns about the  
197 political implications. There was an emphasis on thorough analysis of the budget and tax levy  
198 recommendations.

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200

201 **Adjourn**

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203 Commissioner Davy made a motion, seconded by Commissioner Kanzenbach, to adjourn. The  
204 motion passed unanimously.

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206 Meeting adjourned at 8:40 p.m.