City of
ROSEVILLE
Minnesota, USA

Regular City Council Meeting Minutes
City Hall Council Chambers, 2660 Civic Center Drive
Monday, December 8, 2025

1. Roll Call

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

Mayor Roe mentioned the local Cub Scout pack, 634, based at Emmet D. Williams, was in the audience. He learned before the meeting that the pack has been active for 70 years, which is a significant achievement for the community. He invited the Cub Scouts to lead the Pledge of Allegiance.

2. Pledge of Allegiance

3. Approve Agenda

Schroeder moved, Groff seconded, approval of the agenda as presented.

Roll Call

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

4. Public Comment

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

5. Recognitions, Donations, and Communications

a. Human Trafficking Awareness and Prevention Month Proclamation

Mayor Roe read the Human Trafficking Awareness and Prevention Month Proclamation. The proclamation highlights the crisis of human trafficking and the importance of community awareness and prevention.

Strahan moved, Schroeder seconded, proclaiming January 2026 Human Trafficking Awareness and Prevention Month.

Roll Call

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

Mayor Roe stated he had heard concerns from Somali community members about recent national and local statements and policies that have caused fear and anxiety. He emphasized that Somali residents are long-standing, valued members of the city who work hard, care for their families, and contribute to the community. He condemned the hateful and misinformed comments directed at them, saying those who make such remarks should either learn the truth or stop speaking. He affirmed that Roseville stands against discrimination and the harm caused by hateful language and policies, and stands with all community members.

6. Items Removed from the Consent Agenda

7. Business Items

a. **Continue Public Hearing to Consider Approval of 2026 EDA and City Budget, Tax Levy, and Ordinances to Create Electric and Gas Utility Franchise Fees**
City Manager Patrick Trudgeon briefly highlighted this item as detailed in the Request For Council Action and related attachments dated December 8, 2025.

Mr. Trudgeon and Finance Director Pietrick provided an overview of the budget and levy impact.

Mr. Trudgeon explained factors affecting property taxes, including assessed property values, market value exclusion, and shifts in commercial versus residential properties. The median-valued home in Roseville was $378,000, with a proposed preliminary 12% increase in the city tax levy.

Mr. Trudgeon broke down the budget into the base budget, personnel costs, fund balance, grant-use changes, and public safety staffing needs. The base budget was $81 million, with a tax levy of $33 million and a 7.55% increase over the 2025 tax levy. The base budget included personnel costs, capital projects, utilities, and other expenditures. The city council was considering adding public safety personnel to address increased call volumes and staffing needs.

Mr. Trudgeon discussed the need for fifteen additional firefighters and seven new police employees. The city pursued grants to help offset the initial cost of these staff additions. The city was awarded the SAFER grant for firefighters, and the COPS grant for police patrol positions. The grants help defray the cost of public safety positions, but the expected levy increase remained at 11.54%.

Mr. Trudgeon introduced the proposal for a gas and electric utility franchise with Excel Energy. The franchise fees would generate $2.4 million in additional revenue to offset the levy increase. Three scenarios were presented: no franchise fees (11.54% levy increase), franchise fees with existing levy reallocated to key capital funds (7.59% levy increase), and franchise fees with existing levy reallocated to operational costs (6.22% levy increase). The median valued homeowner's monthly impact under each scenario was detailed.

Mayor Roe opened the floor for public comment.

Public Comment

Mr. Greg Ryan, Owasso Hills Court
Mr. Ryan, a longtime Roseville resident and plumbing contractor, expressed strong concern that the cost of living in Roseville has risen well above the rate of inflation over his 30 years in the city. He questioned why taxes and utility rates increase faster than the consumer price index and argued that this reflects a failure by city leadership. He criticized the city's tiered water-usage pricing, saying it differs from Regional Water's approach and results in very high bills for larger households like his. He said these rising costs are making Roseville increasingly unaffordable, prompting residents to leave.

Mr. Ryan also objected to the new half-percent local sales tax, arguing it discourages businesses and burdens residents, especially seniors, on fixed incomes. He noted that business utility rates are also rising significantly and warned that this could reduce jobs and services. Overall, he said Roseville is becoming too expensive for young families and even advised his own son not to buy a home there. He urged the council to focus on reducing costs for residents and businesses.

Mr. Steven McLoon, Gluek Lane
Mr. McLoon said he and his wife are upset that the city portion of their property taxes will rise by 17.8% next year, despite making no home improvements. He also objected to the city's proposed 7.5% budget increase, noting that it far exceeds current inflation estimates of around 3% and is especially difficult for residents like him who will receive only a 2.8% Social Security increase. Learning about the additional franchise fee further added to his concern. He urged the council to scale back the yearly budget increases, saying the current level is unjustified given economic conditions.

Mr. Dan Young, Hills Court N
Mr. Young, a 42-year-old Roseville resident, said he and his wife were shocked to see their home value increase by 20% over two years, an amount he believes is far higher than comparable homes in the neighborhood. After calling the city, an assessor confirmed the valuation might be incorrect. He said their property taxes rose 19% last year and are set to rise another 14% this year, while Roseville's portion alone increased 22% last year and 17.5% this year. He argued these increases are unsustainable.

Mr. Young said he was told that part of the reason for the rising burden on homeowners is that commercial property values, especially in places like St. Paul, have declined due to vacancies, shifting more of the tax burden to residential properties. He said this shift is unfair and asked why homeowners are being required to shoulder the increased burden and what can be done to address it.

Mr. Dan Bergman, County Road B
Mr. Bergman, a long-time Roseville resident living near the new community center, echoed earlier speakers' concerns about rising property taxes. Reviewing eight years of his records, he said his home value increased about 36%, while his property taxes rose more than 56%, an average of 6% per year. He contrasted this with much smaller increases in his income: his state pension grows by only 1% annually, Social Security has risen about 22% over the same period, and the consumer price index has increased about 29%.

Mr. Bergman said he was surprised that city leaders were not outraged by the scale of tax increases and urged them to take spending cuts seriously. While he appreciated the recent grants the city received, he warned that when grant funding ends, the additional staff and equipment will shift to the city budget, resulting in even larger tax increases in future years. He concluded by saying he would return in the spring to continue pressing the council to control expenditures.

Ms. Sharon Sparks, Little Bay Road
Ms. Sparks said she had lived on Little Bay Road since 2001 in a home her parents built in 1971, giving her a long history with Roseville taxes. She stated that the recent proposed tax increases were unbelievable. Based on her estimates, if the proposed levy had been implemented, her 2026 property taxes would have risen by 17.82%, and the increase from 2024 to 2026 would have totaled 51.44%, which she felt was unacceptable.

Ms. Sparks asked the council to demonstrate that they were genuinely trying to cut costs and requested information about city staffing expenses, noting she could only find salary data for the top three positions. She also questioned why the city referred to the new utility fee as a "fee" rather than calling it a tax, which she believed it effectively was.

Mr. Eric Noren, Lexington Avenue
Mr. Noren explained that he was new to Roseville but had long roots in the Twin Cities and was proud to have finally purchased a home in the city. He said he loved living there and took pride in maintaining his property and helping neighbors. However, he described ongoing frustrations, particularly with a nearby apartment building that had caused repeated problems, including damage to his fence before he moved in.

Mr. Noren said his property value had recently decreased by $20,000–$25,000, yet his taxes had increased by 18%, which made no sense to him. He questioned what return on investment he was getting as a homeowner. He also recounted receiving enforcement letters from the Neighborhood Improvement Program and frequent contact with engineers regarding a new sidewalk project, including warnings that sunflowers were too close to the right-of-way. He said that, despite trying to be a good citizen, he felt punished: his home value declined, he made no improvements, and yet he was taxed more. He expressed significant frustration with the situation.

Ms. Kate Libra, Merrill Street
Ms. Libra said she had lived on Merrill Street in Roseville for 41 years and that her proposed property taxes were set to increase by 25.5%. She asked whether there was any upper limit on how much taxes could be raised in a single year.

Ms. Diane, Snelling Avenue
Ms. Diane said she lived on Snelling Avenue and had heard others describe their rising taxes. She stated that her own property taxes were set to increase by 37.88%, amounting to more than $2,000, which she said she could not afford.

Mr. Dean, Shryer Avenue
Mr. Dean said he agreed with others that the steep property tax increases were unacceptable and urged the city to find solutions to reduce taxes. He recalled that when he first moved in, police had a regular presence in his neighborhood, but he no longer saw patrols. He said minor issues, such as improper parking, expired tabs, and lax enforcement of snow-parking rules, had begun to snowball and contribute to neighborhood decline.

Mr. Dean argued that enforcing these minor violations could generate revenue for the city, help maintain roads, and potentially ease the property tax burden. He noted that some residents were seeing increases of up to 37%, which he found unbelievable, and said even his own taxes had risen fourfold compared to the prior year. He questioned how young families could afford Roseville homes at current prices and urged the city to identify additional revenue sources, including more vigorous enforcement, to help reduce property taxes.

With no one else appearing to speak, Mayor Roe closed the public hearing at approximately 7:11 p.m.

<u>Council Discussion</u>

Mayor Roe explained that several questions had been raised, and he addressed them one by one. He stated there had never been a rule in Minnesota that permanently capped local tax increases at the rate of inflation. Although the legislature had occasionally imposed temporary limits many years ago, those limits included many exceptions and had not been in effect for at least a decade. He noted that a persistent challenge for cities is that many of their costs are rising faster than the consumer price index.

Mayor Roe discussed water rates, noting that Minnesota cities are encouraged to implement “conservation rates,” under which higher water usage is charged at a higher tier to promote conservation. He mentioned that Roseville still charges the lower rate for initial usage and only applies higher rates to amounts exceeding that. He also noted that the city has considered the needs of larger households when setting tiers. He said that although St. Paul Regional Water does not use household-level tiered rates, cities like Roseville are encouraged to adopt them. Additionally, he explained that St. Paul Water recently completed a major capital project, which led to significant cost increases for the city, which Roseville has had to pass on to its own water rates.

Mayor Roe discussed the sales tax, acknowledging that residents paid some of it, although he stated it was not directly linked to the evening's property tax levy discussion. He referenced a University of Minnesota analysis indicating that less than 40% of the sales tax burden falls on Roseville residents.

Mayor Roe stated that approximately 60 or more percent of taxable purchases in Roseville were made by non-residents, highlighting the city's role as a regional retail hub. While Roseville residents did experience some impact from the local sales tax, he clarified that most of the burden fell on visitors.

Mayor Roe stated that the shift in the property tax burden from commercial to residential properties was not a deliberate decision by the city. Instead, it results from yearly fluctuations in assessed property values provided by the county. Depending on how these values vary across property types, the tax burden can shift in different directions each year. In this cycle, he confirmed there has been a move toward residential taxpayers.

Mayor Roe explained the limits on property tax increases, noting that state law includes a refund program for taxpayers whose property taxes exceed a certain level. While some state programs are income-based, he believed the refund for significant year-to-year increases is not strictly income-dependent, though it might partly depend on changes in a home's assessed value. He said staff could confirm the details.

Ms. Pietrick explained that Minnesota offers two types of property tax refund programs: one income-based and another that previously allowed any homeowner to qualify if their taxes increased by 10% or more. She said the state had recently lowered the threshold, so homeowners are now eligible if their property taxes increase by 6% or more, regardless of income.

Mayor Roe mentioned that a resident who saw a decrease in property value while taxes increased should contact the county assessor. He explained that usually, if a property's assessed value drops, especially by the amount mentioned, its taxes should also decrease, at least somewhat. He noted that the situation appeared unusual and could indicate a calculation error. He advised anyone experiencing a similar mismatch to check with the county to verify the assessment and tax calculations.

Mr. Trudgeon explained that each year, as the city prepares its budget, staff reviews costs to identify areas for potential savings or reductions. He said they regularly seek more accurate budgeting and explore ways to deliver services more efficiently. While they often find cuts, he noted that necessary cost increases usually outweigh those savings. He emphasized that the city is trying to cut expenses without harming services, but rising costs to maintain existing programs still require a 7.5% levy increase. He described this as an unfortunate but unavoidable part of the budget process.

Councilmember Strahan asked staff to explain the city's cost pressures related to its role as an employer, noting that the city also faces rising expenses, including health care and other employee-related costs. She requested more details on those factors.

Mr. Trudgeon explained that the city's health insurance costs had increased by 12% next year, even though the budget assumed only a 5% rise. The difference, he said, was passed on to employees through higher out-of-pocket costs and routine plan adjustments. He noted that annual increases in healthcare expenses were unavoidable and affected the city just as they affected residents.

Mr. Trudgeon also reminded the public that two-thirds of property taxes are determined at the county level and that the county's meeting was still scheduled for that week. He emphasized that levies from various entities contribute to property taxes and encouraged residents to participate early in the valuation process, noting that the city had already been discussing budget issues for nine months.

Councilmember Strahan reminded residents that two-thirds of their property taxes are set by entities other than the City of Roseville, including the county, which still has a meeting scheduled later that week. She emphasized that property taxes consist of several parts, not just the city's portion. She encouraged residents to get involved early in the annual processes, especially when seeking home valuations or adjustments, since early participation is more effective. She noted that the council has already been discussing these issues for nine months.

Mayor Roe advised residents to review the home valuation notices they receive from the county each spring and to appeal their valuations when appropriate. He noted that commercial property owners routinely contest their valuations—often with professional staff, thereby lowering their tax bills. He encouraged residents to take similar steps to benefit from the process.

Mayor Roe then explained how the property tax system worked. The city determined its budget, made cuts where possible, and subtracted revenue from fees and other non-tax sources. The remaining amount became the city's certified tax levy. The county then divided the levy proportionally across all properties based on their assessed values and classifications. He emphasized that the city had almost no control over the tax owed by individual properties; assessed value changes shifted the tax burden among residents and between residential and commercial properties.

Mayor Roe acknowledged concerns about the fairness of the property tax system, saying he shared some of them. He noted that cities were creatures of the state and had to operate within the funding structures set by the legislature. He concluded that he had addressed most of the technical questions raised.

A resident asked how much revenue the city had generated to date from the new half-percent sales tax.

Mayor Roe acknowledged a question about the half-percent sales tax and mentioned that Mr. Trudgeon had recently received updated information from the state and confirmed that the city receives monthly sales tax revenue data.

Mr. Trudgeon explained that the city had collected only two months of sales tax revenue so far, totaling about $1 million. Based on that, the city expected to generate between $5–6 million annually from the half-percent sales tax. He emphasized that this revenue could be used only for the maintenance and operations center, as required by the special legislation authorizing the tax. Due to these restrictions, he said the sales tax revenue could not be used to offset property taxes.

Mayor Roe stated that the council now needed to deliberate on the budget, starting with spending decisions, because those choices would determine the total funding required. He noted that, as a service-oriented organization, the city's largest expense was personnel, so significant cost reductions often led to staff layoffs and corresponding cuts in services. He recalled a previous attempt to eliminate several skating rinks, considered lower-priority services, where public opposition highlighted how difficult such decisions could be.

Mayor Roe pointed out that Roseville has long operated as a lean organization and has consistently sought efficiency improvements through technology and process enhancements to avoid expanding staff. However, he acknowledged that public debate still centers on how much the city should allocate to areas such as park programs, development support, and other services. Ultimately, he stated that personnel-related costs make significant cuts difficult without significantly affecting service levels.

Mayor Roe stressed that the city aimed to be a good steward of taxpayer dollars, even though that did not lessen residents' frustration with rising tax bills. He then opened the discussion by asking the council to begin by deciding whether to include the NewTrax circulator bus funding request in the budget.

Councilmember Strahan referenced a recent presentation by Peter Lindstrom of the Met Council and noted that, while the NewTrax service offered potential benefits, she found it difficult to support because it duplicated services already available to Roseville residents. She said that seniors can already use citywide door-to-door transit on their own schedule for $1, while NewTrax has more limited availability. She said that although NewTrax has been a valuable resource in the past, adding it to the budget amid significant financial concerns was hard to justify because it overlapped with existing services.

Councilmember Schroeder said that after listening to residents' concerns, both in person and through emails and calls, it did not seem appropriate to add a new expense, such as the NewTrax service, to the budget. She stated she could not support including it because it was not a "must-have" item, and adding it now would impose an additional burden on residents, even as many were urging the council to reduce costs. She clarified that the service itself was not the issue, but the timing and financial impact were.

Councilmember Groff said he agreed with the concerns already expressed by his colleagues. He noted that other transportation options, such as Metro Mobility and a new Met Council program, provide door-to-door service and can take residents to medical appointments. He said these alternatives were better suited to meeting the community's needs. He also pointed out that the proposed NewTrax service operated only one day a week, on Tuesdays, and was already running without city funding. He concluded that support for the program should be left to other entities rather than added to the city's budget.

Mayor Roe said he understood that the NewTrax model was somewhat different from Metro Micro, which operates more like an app-based, on-demand transit service. He explained that NewTrax's primary goal is to transport individuals with disabilities to their employment programs, and that the proposed community loop service uses buses outside those hours. He noted that the loop is intended for senior housing facilities, where some residents may benefit from a predictable, scheduled route rather than app-based transit.

Mayor Roe explained that, even though he recognizes the potential value of the service, he agrees with other councilmembers that now is not the right time to include it in the budget. He mentioned that if the council decides to support it, he would consider funding it from reserves rather than levy dollars. He prefers to wait and see how the program develops in the coming months before revisiting the issue. He concluded that this discussion seems to address the NewTrax part of the budget discussion.

Councilmember Strahan suggested asking NewTrax to return earlier in next year's budget cycle, around May or June, to provide an update on the service. She said it would be helpful for the council to understand better how the program was serving

Roseville residents, whether any significant changes had occurred, and how NewTrax's efforts to secure additional funding sources were progressing. She then indicated her readiness to move forward with the remainder of the budget discussion.

Groff moved; Strahan seconded. Adoption of Resolution No. 12197 (Attachment 3) entitled, "Resolution Adopting the Final 2026 Annual Budget and 2026 Capital Improvement Plan for the City of Roseville."

Council Discussion

Councilmember Groff thanked residents for attending and acknowledged residents' frustration with rising taxes, noting that councilmembers are taxpayers as well. He said the council spent the entire year reviewing budgets, efficiencies, and potential reductions, but emphasized that residents consistently expressed a desire to maintain core services. When he asked the public where cuts should be made, he said they rarely supported reductions in core areas such as parks, police, and fire, each of which accounted for a substantial portion of the budget.

Councilmember Groff stressed that the council took its responsibility seriously and did not make budget decisions lightly. After a thorough review, he said he supported the proposed budget because he did not see viable areas for further cuts at this time.

Councilmember Schroeder added that the council was continually evaluating services, but deciding what to cut was often difficult. She cited an example of staff suggesting closing the leaf-drop-off center to save money, which prompted strong public opposition. She said this illustrated how challenging it was to determine which services should remain and which could be reduced. She agreed with Councilmember Groff that the council would welcome resident input on which services they might be willing to forgo, as this guidance would help inform future decisions. She emphasized that making such choices was never easy.

Mayor Roe emphasized that a few loud voices did not necessarily sway the council but carefully weighed the pros and cons of each decision. He used the leaf-collection center as an example, noting that he had once supported closing it to save money but later reconsidered after learning that the alternative required trucking leaves across the county for composting, a process he felt was less environmentally responsible. He said the city still faced financial and equipment challenges with the site, but the example illustrated how complex these decisions were.

Mayor Roe reiterated that the council made sensible, balanced choices for residents. Turning to the proposed budget, he said it responsibly supported public safety by ensuring staff were not overworked and by adding needed support positions in the police department for tasks such as report processing and evidence handling. He believed the city had remained lean while directing resources toward the most essential needs in the community.

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

Mr. Trudgeon explained that the council had three resolutions to consider, each representing a different funding scenario. Scenario 1 did not include franchise fees, while Scenarios 2 and 3 both included franchise fees but applied them differently. He reminded the council of these differences as they prepared to discuss and select among the options.

Mayor Roe explained that the franchise-fee scenarios were proposed because they would allow the city to generate more revenue with less impact on individual homeowners than relying solely on property taxes. He said this approach appealed to him because several of the city's capital funds were struggling to meet long-term needs. Franchise fees, he noted, helped stabilize those funds without significantly increasing the burden on single-family residential properties.

Mayor Roe clarified that **Scenario 1** included no franchise fees and therefore provided no additional capital funding support; it reflected only the base budget, plus the added police and fire positions partially funded by grants. In contrast, **Scenarios 2 and 3** used franchise fees to shore up capital, with the main difference being whether those fees were also used to offset operational expenses. He concluded that these were the choices before the council and that this was the rationale for the three scenarios.

Mr. Trudgeon explained that although not shown in the packet, **Scenario 2** would increase capital funding by approximately **$2.8 million**, while **Scenario 3** would add about **$2.4 million**. **Scenario 1**: he reiterated that no additional dollars were allocated for capital needs. He noted that, as presented at the previous meeting, Scenarios 2 and 3 would significantly strengthen long-term fund balances, reducing the need for new levy dollars in future years, at least in the near term. He said these figures supported considering franchise fees in the budget decision.

Councilmember Schroeder said she received numerous calls and emails and, after hearing residents' concerns, believed the roughly 12% levy increase shown on the proposed property tax statements was too high. She noted that Scenarios 2 and 3 would reduce the levy increase to around 6–7%, which she felt would provide meaningful relief to residents. Because Scenario 1 kept the levy near 12%, she said she could not support it and preferred a scenario that used franchise fees to reduce the property tax impact significantly.

Mayor Roe noted that franchise fees continue to affect property owners. Still, the effect differs from a property tax increase because the cost is the same for every household, $3 for gas and $3 for electricity, regardless of property value. He noted that some may see this flat rate as an advantage, while others may not. He also clarified that franchise fees are not intended to change each year; once set, they typically remain in place for several years before any adjustments are considered.

Councilmember Groff said he agreed with Councilmember Schroeder and wanted to keep the levy increase as low as possible, noting that he had heard residents' concerns and seen the impact on his own tax statement. He said he favored Scenario 2 because maintaining healthy capital funds was essential. If those funds fell too low, the city would eventually need to replenish them, and the only realistic source would be the levy. He explained that his goal was to avoid even larger increases in future years by smoothing out the impact now. This was why he supported Scenario 2.

Councilmember Strahan said she agreed with Councilmember Groff. She expressed concern that Scenario 3 might underfund essential capital needs, leaving the city vulnerable. Although Scenario 3 offered a slightly lower levy increase, she felt the negative impact on the capital improvement plan was too significant. For that reason, she said she was inclined to support Scenario 2.

Councilmember Schroeder said she agreed with the other comments and noted that her years on the Finance Commission had taught her the importance of consistently funding capital needs. She emphasized that capital dollars were necessary to replace fire trucks, police cars, playground equipment, and other essential infrastructure that residents relied on daily. Although the difference between the budget scenarios was slight, she said it was necessary to strengthen capital funds to prevent significant spikes in the future. She explained that planning and gradually funding replacements is preferable to facing steep, painful increases later. For these reasons, she stressed the importance of maintaining strong capital funding.

Strahan moved; Schroeder seconded. Adoption of Resolution No. 12198 (Attachment 4, Scenario 2), entitled, "Resolution Submitting the Final Property Tax Levy on Real Estate to the Ramsey County Auditor for the Fiscal Year of 2026."

Council Discussion

Councilmember Strahan said she wanted to prevent underfunding the city's capital accounts and avoid a serious situation in the future. She considered Scenario 2 the best balance. She also pointed out that the franchise fee was a fixed cost, meaning that while it had a larger absolute impact on a $380,000 home, it had a smaller proportional impact on a $700,000 home. Still, it provided a steady stream of revenue for the capital improvement program. She stressed that franchise fees were not permanent and could be adjusted later if necessary. She also humorously added that Councilmember Schroeder would be surprised she now supports franchise fees, since she had not favored them a few months earlier.

Councilmember Schroeder said that learning about the budget and franchise-fee options had been an educational process for the council and that residents should feel free to reach out with questions. She explained that franchise fees were shared across all properties, including those that did not pay property taxes, which she felt was fair because everyone benefited from the city's capital infrastructure. She added that, as someone who worked with numbers, she knew the information could be complicated to understand, and that it simply took time for people to become familiar with what the figures meant.

Councilmember Groff added that the Finance Commission would be reviewing the city's capital improvement plans next year, as previously discussed. He said this review would help the council identify any possible efficiencies in the capital program.

Mayor Roe noted that the Finance Commission, like all of the city's commissions, was composed of volunteer residents who met regularly and provided valuable input that informed the council's decisions. He emphasized the importance of their role in the city's process.

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

Strahan moved; Groff seconded. Adoption of Resolution No. 12199 (Attachment 4) entitled, "Resolution Approving a Special Property Tax Levy, for the Benefit of the Roseville Economic Development Authority, on Real Estate to the Ramsey County Auditor for the Fiscal Year of 2026."

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

Groff moved, Schroeder seconded, enactment of Ordinance No. 1695 (Attachment 6) entitled, "An Ordinance Implementing an Electric Service Franchise Fee on Northern States Power Company, A Minnesota Corporation, Its Successors and Assigns, for Providing Electric Service Within the City of Roseville"

Council Discussion

Councilmember Groff thanked Councilmember Schroeder for bringing the issue forward the previous year and for helping educate him on it. He said one advantage of the approach was that it spread costs among all Roseville residents, including those who did not currently pay property taxes, which he viewed as a positive.

Councilmember Schroeder acknowledged that a resident had correctly pointed out that the franchise fee functioned as a tax, which was why the council included its cost in the scenario comparisons so the public could clearly see its impact. She said the intention was not to hide anything but to find a fair way to cover necessary expenses. She believed the franchise fee was a practical option because it spread the cost more evenly across the community.

Mayor Roe said he supported diversifying the city's revenue sources to reduce reliance on property taxes and to ensure that tax-exempt properties also contributed to maintaining infrastructure that their users and employees depended on. He explained that franchise fees helped achieve this and offered the added benefit of being flat fees rather than value-based, making them more equitable across both residential and commercial properties. Commercial accounts were charged based on account type, not property value, with larger accounts paying more but still at a fixed monthly amount.

Mayor Roe explained that a key reason he favored franchise fees was that they raised more capital while having a smaller financial impact on single-family homeowners than using the tax levy. He noted that adding $1.2 million in capital funding through the levy would have cost a median homeowner approximately $12–$13 per month, whereas the franchise-fee equivalent would have cost about $6. He acknowledged that the fee was effectively a tax, even though state law classified it as a franchise fee, and that it would appear as such on utility bills.

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

Groff moved, Schroeder seconded, enactment of Ordinance No. 1696 (Attachment 7) entitled, "An Ordinance Implementing A Gas Service Franchise Fee on Northern States Power Company, A Minnesota Corporation, Its Successors and Assigns, for Providing Gas Service Within the City of Roseville."

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

Schroeder moved, Strahan seconded, approval of Ordinance Summary No. 12200 (Attachment 8) entitled, "Resolution Approving Publication of an Ordinance Summary of ORD No. 1695 Implementing an Electric Service Franchise Fee on Northern States Power Company, A Minnesota Corporation, Its Successors and Assigns, for Providing Electric Service Within the City of Roseville."

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

Schroeder moved, Strahan seconded, approval of Ordinance Summary No. 12201 (Attachment 9) entitled, "Resolution Approving Publication of an Ordinance Summary of ORD No. 1696 Implementing a Gas Service Franchise Fee on Northern States Power Company, A Minnesota Corporation, Its Successors and Assigns, for Providing Electric Services Within the City of Roseville."

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

Mayor Roe thanked all members of the public who attended the meeting or shared feedback via email or phone. He reflected on a question asked earlier by visiting Cub Scouts about what was disappointing in local government, noting that not being able to make everyone happy was one of the most complex parts of the job. He emphasized that the council worked diligently to consider all perspectives and took decisions, especially those involving taxpayers' money, very seriously. He added that, as elected representatives, council members were accountable to the community, which had many ways to express concerns if the council made a mistake. He closed by thanking everyone again for participating in the process.

Recess
Mayor Roe recessed the meeting at approximately 8:00 p.m., and reconvened at approximately 8:08 p.m.

b. Hold a Public Hearing to Consider Approving Remaining Liquor License Renewals for 2026
Assistant City Manager Rebecca Olson briefly highlighted this item as detailed in the Request For Council Action and related attachments dated December 8, 2025.

Ms. Olson introduced the public hearing for liquor license renewals, mentioning Red Lobster's compliance failures.

Red Lobster General Manager Mr. Hiram Hollamon explained the steps taken to address the violations, including training and validation processes.

Councilmember Strahan emphasized the seriousness of the violations and the need for continued compliance.

Mayor Roe reviewed public hearing protocol and opened and closed the public hearing at approximately 8:14 p.m. for the purpose of receiving public input on the above-referenced Liquor License Renewals for 2026, with no one appearing for or against.

Schroeder moved; Groff seconded. Approve the renewal of the requested liquor licenses for 2026 upon receipt of all outstanding application materials and payments.

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

c. **Adopt 2026 Utility Rates**
Finance Director Michelle Pietrick briefly highlighted this item as detailed in the Request for Council Action and related attachments dated December 8, 2025.

Ms. Pietrick presented the proposed 2026 utility rates, including a 5.5% increase in water rates, a 2% increase in sewer rates, and a 3% increase in recycling rates. She explained the tiered water-consumption system and the conservation rate from St. Paul Regional.

Public Comment

Mayor Roe invited public comment, but no one spoke.

Groff moved; Schroeder seconded. Adoption of Resolution No. 12202 (Attachment 1) entitled, "Resolution Establishing the 2026 Utility Rates."

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

d. **Consider Adopting the 2026 Fee and Administrative Penalty Schedules**
City Manager Patrick Trudgeon briefly highlighted this item as detailed in the Request For Council Action and related attachments dated December 8, 2025.

Mr. Trudgeon introduced the ordinance to adopt the 2026 fee schedule, including administrative fees and penalties.

Public Comment

Mayor Roe invited public comment, but no one spoke.

Strahan moved, Schroeder seconded, enactment of Ordinance No. 1697 (Attachment 2) entitled, "An Ordinance Amending Appendix A, City Fee Schedule Adopting the 2026 Fee Schedule"

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

Groff moved, Schroeder seconded, enactment of Ordinance Summary No. 12203 (Attachment 4) entitled, "Resolution Approving Publication of an Ordinance Summary of ORD No. 1697 Amending Appendix A of the Roseville City Code."

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

8. Council Direction on Councilmember Initiated Agenda Items

9. 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 November 24, 2025, EDA and City Council Meeting Minutes
Schroeder moved, Groff seconded, approval of the November 24, 2025, EDA and City Council Meeting Minutes as amended.

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

10. 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 December 8, 2025, and related attachments.

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

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

a. Approve Payments

ACH Payments	$119,181.49
114271-114317	206,108.31
TOTAL	**$325,289.80**

b. Approve New and Reclassified Positions in the 2026 Budget

c. **Approve Resolution Ratifying the Labor Agreement Between the City of Roseville and International Association of Firefighters (IAFF) Local 5051**

d. **Approve Fire State Aid Allocation Agreement with Roseville Fire Relief Association**

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

City Manager Patrick Trudgeon reviewed the following meetings: the January 5, 2026, City Council meeting; the January 12, 2026, EDA and City Council meetings; the January 26, 2026, City Council meeting; the February 9, 2026, City Council meeting; the February 17 and 19, 2026, Commission Interviews; and the February 23, 2026, City Council meeting.

12. Adjourn to Closed Session

Groff moved, Schroeder seconded, adjournment to a closed session at approximately 8:30 p.m.

Roll Call

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

13. Reconvene to Open Session

Schroeder moved, Groff seconded, reconvened to the open session at approximately 9:03 p.m.

Roll Call

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

14. Adjournment

Schroeder moved, Strahan seconded, adjournment at approximately 9:03 p.m.

Roll Call

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

Daniel J. Roe, Mayor

ATTEST:

Patrick J. Trudgeon, City Manager