# Finance Commission
# Meeting Minutes
# DRAFT – April 14, 2026 - DRAFT

## Roll Call/Announcements

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

**Commissioners Present:** Kevin Davy, Martin Jeffers, Matthew Kaney, Raye Kanzenbach, Kyle Randolph, and Anna Vervoort

**Youth Commissioners Present:** None

**Commissioners Absent:** Sadiq Dahir, Aldo Bergquist

**Staff Present:** Finance Director Sam Magureanu

## Approval of Agenda

The agenda was approved by general consensus.

## Receive Public Comments

There being no one present wishing to speak to the Commission on an item not on the agenda, the Chair moved to the next agenda item.

## Approval of Meeting Minutes

Commissioner Jeffers moved, seconded by Commissioner Davy, to approve the March 10, 2026, meeting minutes as presented. The motion carried unanimously.

## Swearing in of New Commissioners

Finance Director Magureanu administered the Oath of Office to Commissioners Kaney, Jeffers, and Randolph.

## Select Chair, Vice-Chair

Chair Kazenbach explained that while a Chair had been elected at the previous meeting, a Vice-Chair had not. He noted that Commissioner Dahir had previously served in that role but was not present, and it was unclear whether he wished to continue. The Commission was therefore asked to select a new Vice Chair.

Commissioners Davy and Jeffers expressed interest in the position. Commissioner Jeffers deferred to Commissioner Davy, citing his experience on the Commission.

Commissioner Vervoort moved, seconded by Commissioner Jeffers, to appoint Commissioner Davy as Vice-Chair of the Finance Commission. The motion carried unanimously.

**<u>Review 2025 Preliminary Year-End Cash Reserve Levels</u>**

Finance Director Magureanu provided an overview of the city's fund balance policy and current financial position, emphasizing the use of spreadsheets to illustrate the same information presented in the narrative. He explained that each city activity is tracked in separate funds, with the general fund serving as the primary operating fund. City policy requires this fund to maintain reserves between 35% and 50% of the following year's budgeted expenditure.

Mr. Magureanu noted that preliminary 2025 year-end figures, largely finalized despite the ongoing audit, show a general fund balance of $8.9 million, compared to a 2026 operating budget of approximately $30 million. This places the reserve level at about 29.66%, falling $1.6 million below the minimum 35% target and $ 6 million below the 50% target.

Mr. Magureanu explained that the purpose of the review was to evaluate fund balances across all city funds, identify those that were below or above policy targets, and develop recommendations for the City Council. He indicated that staff is proposing to reallocate excess funds from accounts with surpluses to those with deficits to bring reserves into compliance. As an initial step, he plans to recommend transferring $1.6 million into the general fund to meet the minimum reserve requirement by the end of fiscal year 2025, with further detailed analysis to follow during the audit presentation.

Chair Kanzenbach noted that fund balances must remain at higher levels because they fluctuate throughout the year and can drop during certain periods. He sought confirmation that maintaining higher reserves helps offset seasonal or timing-related declines.

Mr. Magureanu confirmed that fluctuations in fund balance throughout the year are one reason for maintaining higher reserves. Still, he explained that the primary reason is the timing of property tax collections. He noted that the city relies heavily on property tax levies, which are paid in two installments, typically in May and October. Because the city does not receive those funds until later in the year, it must rely on reserves to cover operating expenses from January through mid-year, and again between settlement periods. He added that guidance from the Office of the State Auditor recommends maintaining a minimum general fund balance of 35% to ensure adequate cash flow.

Mr. Magureanu also discussed other city funds, including the Parks and Recreation Fund, which has a lower target reserve range of 20% to 30%. He noted that this fund ended the year above both targets, with a surplus of approximately $738,000 over the minimum and $72,000 over the maximum. He explained that while some cities include parks and recreation in the general fund, Roseville tracks it separately due to the size and number of programs, which allows for better monitoring of revenues and expenses. He added that although the fund may generate a surplus, it remains a governmental fund supported primarily by levies, unlike enterprise funds, which are intended to operate more like self-sustaining businesses.

Chair Kanzenbach noted that enterprise funds include services such as the water and sewer systems, which operate more like standalone business-type activities within the city.

Mr. Magureanu explained that the city tracks each fund separately and applies different reserve benchmarks depending on the fund type. He noted that the Parks and Recreation Fund exceeded its high target by approximately $72,000. That city policy generally aims to keep these types of funds closer to their higher reserve targets when possible.

Mr. Magureanu also addressed the Communication Fund, which fell below its reserve target. He clarified, however, that all funds ended the year with positive balances as of December 31, 2025. He emphasized that references to a “deficit” relate only to falling short of reserve policy targets, not to an actual negative fund balance.

Commissioner Jeffers asked for clarification on the Communication Fund, specifically whether it functions similarly to a marketing-related fund.

Mr. Magureanu explained that the Communication Fund supports the city’s communications department and is used to track and manage those activities better. He noted that this fund is currently below its reserve target and will likely need additional support.

Mr. Magureanu also described the License Center Fund, which covers services such as licensing and passports. He noted that Roseville is one of the few cities that operates its own license centers, and that this fund ended the year above its reserve targets, which range between 10% and 15%.

Mr. Magureanu summarized that while some funds are below their reserve targets and need support, others have excess reserves. He then highlighted the Cash Reserve Fund, historically used as a “rainy day” fund to hold surplus balances from other funds when not immediately needed. However, due to the current $1.6 million shortfall in the general fund, he indicated that staff is recommending using available reserves from these funds to help restore the general fund to its minimum target.

Chair Kanzenbach asked whether the Cash Reserve Fund is included within the general fund in the financial statements, noting that he was unable to locate it.

Mr. Magureanu clarified that the Cash Reserve Fund does not appear as a separate line item in the financial statements. He explained that, in Roseville’s reporting, several governmental funds, including the cash reserve, communication, are consolidated and presented together within the general fund.

Mr. Magureanu noted that while these funds are tracked separately internally to monitor specific activities better, they are grouped for financial statement purposes. He added that this structure can make them harder to identify individually in the reports. Still, he will provide a more detailed explanation when the full financial report and budget are presented.

Commissioner Kaney asked for clarification, confirming whether all of the funds being discussed are governmental funds and whether any other governmental funds are impacting the figures presented.

Mr. Magureanu explained that the city has additional governmental funds, but many of them are smaller and are grouped within the general fund. He noted that those funds are not subject to specific reserve targets because they are viewed collectively rather than individually.

Mr. Magureanu clarified that the funds currently under discussion are the primary ones for which the city has established formal reserve policies, with defined low and high target levels.

Commissioner Kaney asked a follow-up question about how the Cash Reserve Fund is funded.

Mr. Magureanu explained that the Cash Reserve Fund is funded through surplus balances from other funds. He noted that if the general fund did not require additional support, excess funds, such as amounts exceeding the high target in the Parks and Recreation Fund, would typically be transferred into the Cash Reserve Fund for future use.

Commissioner Kaney observed that most fund balances increased from the beginning to the end of the year, except for the Communication Fund, indicating that revenues generally exceeded expenses. He questioned whether the need to reallocate funds was primarily due to an increase in the upcoming year's operating budget, which changes the reserve targets. He asked whether it was accurate to say that fund balances may have been on target previously but now require adjustments to meet policy thresholds, given the higher budget levels.

Mr. Magureanu explained that reserve levels are evaluated against the following year's operating budget, which typically increases over time. As a result, even if fund balances grow, they may still fall short of target percentages when compared to a higher upcoming budget.

Mr. Magureanu noted that some funds, such as Parks and Recreation and the License Center Fund, generate revenue through fees and services. He explained that when revenues exceed expenses, the surplus is added to the fund balance, and when expenses exceed revenues, the fund balance is reduced. He added that these types of funds tend to fluctuate more due to changes in demand and activity levels.

Mr. Magureanu highlighted that the License Center Fund performed strongly in 2025 due to increased demand for services, including passports and compliance with new identification requirements, which contributed to higher revenues and a surplus.

Mr. Magureanu noted that large surpluses do not occur every year. Still, when they do, excess funds are often transferred into the Cash Reserve Fund to help maintain higher reserve levels across other funds. He added that, when necessary, those reserves can be drawn down, even to lower target levels, to support the general fund and meet operating needs.

Commissioner Kaney sought confirmation that the operating budget figure represents expenses and suggested that the shortfall in reserve targets is largely driven by rising expenses rather than prior underfunding. He noted that the increase in the operating budget accounts for a significant portion of the gap needed to reach the 35% reserve level.

Mr. Magureanu explained that the city builds its budget using a balanced approach, in which expenses are identified first, and revenues from non-levy sources are estimated. The remaining gap is then filled through the property tax levy. He noted that revenue estimates are intentionally conservative, as actual revenues can fluctuate based on factors such as building activity or permit demand, which may result in collections higher or lower than expected.

Mr. Magureanu clarified that changes in fund balance levels are influenced by both increases in future budgets and differences between actual revenues and expenditures. If revenues fall short while expenses remain steady, the fund balance is reduced. At the same time, when the following year's budget increases, the required reserve targets also increase, creating additional pressure on fund balances.

Mr. Magureanu emphasized that the goal is to maintain a balanced budget each year and to use fund balance cautiously. He noted that reserves are best used for one-time expenses rather than ongoing costs, as using reserves to fund recurring expenses can lead to larger levy increases in future years when those reserves are no longer available. He added that this requires careful planning and conservative financial management, and that the Commission will receive more detailed information as the budget process continues.

Commissioner Jeffers asked whether staff is recommending fully utilizing the 105 Cash Reserve Fund and whether the city has any additional general cash reserve funds available.

Mr. Magureanu confirmed that the 105 Cash Reserve Fund is the only reserve fund. He then outlined the staff's recommendations based on current fund balance needs, noting that two funds are below their required reserve targets: the general fund by approximately $1.6 million, or about 35% of the 35% minimum, and the Communication Fund by about $40,000, or about 10% of the 10% minimum.

Mr. Magureanu explained that the staff is proposing a total transfer of $1,604,629 into the general fund. This would include taking $637,463 from the License Center Fund, bringing it down to its minimum 10% reserve level, using the entire Cash Reserve Fund balance of approximately $1,059,268, and transferring an additional $40,978 from the Parks and Recreation Fund.

Mr. Magureanu added that an additional $40,378 transfer is recommended from the Parks and Recreation Fund to support the Communication Fund and bring it to its minimum reserve target.

Mr. Magureanu noted that these transfers require City Council approval because they are unbudgeted and indicated that staff plans to bring this recommendation forward on May 4. He added that similar transfers have been made in past years, depending on fund performance, and that this discussion is intended to inform the Commission ahead of Council consideration.

Chair Kanzenbach asked whether there is a projection of the Cash Reserve Fund balance at year-end and whether, based on the proposed transfers, it is expected to be fully depleted to zero.

Mr. Magureanu confirmed that the Cash Reserve Fund balance of $926,008 reflects the amount as of December 31, 2025, and that the proposed transfer would fully deplete the fund, leaving a zero balance. He noted that, as a result, this source would not be available for use again next year.

Mr. Magureanu explained that staff evaluated several options but found limited flexibility due to a lack of available unrestricted reserves. He noted that some funds with balances are restricted and cannot be used for other purposes, and that the alternative would be to increase the property tax levy, which staff is not recommending at this time.

Mr. Magureanu indicated that the staff's approach is to use the available reserves to address current needs and rebuild them in the future. He cautioned that if reserves are not restored and funds again fall below target levels, the city will need to consider options such as adjusting reserve policies or increasing the levy.

Mr. Magureanu added that while the Office of the State Auditor recommends a 35% minimum reserve for the general fund, cities vary in their targets, with some maintaining higher or lower levels depending on their financial strategies.

Chair Kanzenbach noted that the city plans to issue bonds in the near future and emphasized the importance of maintaining strong reserve levels during that period. He pointed out that rating agencies, including Standard and Poor's, consider reserve levels when evaluating the city's AAA bond rating and expressed concern that reserves were too low during that review.

Mr. Magureanu agreed with the concern and explained that strengthening reserve levels is especially important as the city prepares to issue bonds, potentially later in the year. He noted that higher reserve levels demonstrate the city's financial strength during rating discussions with bond agencies, which evaluate the city's ability to repay debt.

Mr. Magureanu explained that maintaining a strong rating, such as a AAA rating from Standard and Poor's, helps the city secure lower interest rates and makes its bonds more attractive to investors. He emphasized that bringing the general fund reserves up to at least the 35% minimum by the end of 2025 will support that effort and align with state auditor guidance.

Mr. Magureanu added that the city is anticipating major capital projects, including a new public works building and a potential new license center, which further underscores the importance of maintaining strong reserves before issuing bonds.

Commissioner Jeffers asked for clarification, questioning whether the city effectively has a $1.6 million deficit in the general fund.

Mr. Magureanu clarified that the $1.6 million figure does not represent an actual deficit but rather a shortfall relative to the general fund's required reserve target.

Mr. Magureanu explained that while some forecasting is possible, predicting exact reserve needs in advance is difficult because future budgets and revenues are not fully known in advance. He noted that projections can be made based on trends, but actual results may vary depending on whether revenues meet expectations and how expenditures develop.

Mr. Magureanu indicated that the current shortfall is likely the result of a combination of factors, including revenue performance and budget increases. He added that if no additional funds were available to transfer, the city would have had to close the year below the 35% reserve target and address that position during discussions with rating agencies.

Mr. Magureanu explained that in such a scenario, the city would likely need to communicate a plan to increase the property tax levy in the future year to rebuild reserves. He also noted that once the levy is certified, the city has limited flexibility to adjust within that year, reinforcing the importance of planning and timing in managing fund balances.

Chair Kanzenbach acknowledged that increasing the 2027 levy could help restore reserve levels if needed. He also sought confirmation that the Cash Reserve Fund is included in the financial statements as part of the general fund.

Mr. Magureanu confirmed that this information is documented in the Discussion and Analysis section of the financial report, where the general fund balance is reviewed year over year. He noted that the auditors will also present this information in their audit report to the Council.

Mr. Magureanu explained that financial reporting typically reflects prior-year results, which limit the ability to make real-time adjustments. He added that the levy certification timeline, with preliminary certification occurring in September, also affects when changes can be made.

Mr. Magureanu stated that, moving forward, he intends to develop projections earlier in the process to anticipate changes in the general fund better and allow for more timely discussions. He emphasized that while reserve levels require attention, the city is not at risk of running out of funds.

Commissioner Jeffers summarized that the issue is not a lack of available funds for operations, but rather that reserve levels are below desired targets. He noted that the city remains financially stable, with sufficient funds to operate, and expressed agreement that reserves should be restored to appropriate levels.

Mr. Magureanu agreed that restoring reserves is important. He explained that maintaining adequate reserves is primarily about ensuring sufficient cash flow, especially during the first half of the year when property tax revenues have not yet been received. He noted that the city must meet ongoing financial obligations, including timely payments to vendors, which are subject to strict compliance requirements and are reviewed during audits.

Mr. Magureanu added that audit findings related to these requirements can impact operations, bond ratings, and the city's ability to issue debt. He emphasized that while reserve targets for funds like Parks and Recreation or the License Center are set by policy rather than law, the general fund's 35% reserve level is strongly recommended.

Mr. Magureanu also noted that although Roseville tracks certain funds separately, rating agencies may evaluate them collectively when assessing the city's financial position, as they are all part of the city's governmental activities.

Chair Kanzenbach observed that the proposed transfers are essentially reallocating existing funds to align with reserve targets, noting that the funds remain within the city but are structured to facilitate tracking and presentation. He commented that maintaining this structure helps demonstrate that Roseville is in strong financial condition.

Chair Kanzenbach also highlighted the city's AAA rating and noted that it is relatively uncommon for a city of its size to hold that rating. He added that while maintaining an AAA rating is beneficial, even slightly lower ratings would still allow the city to secure favorable interest rates.

Mr. Magureanu emphasized that the city's goal is to maintain its strong financial position, noting that Roseville is well-positioned by factors such as commercial growth, a solid tax base, and relatively low outstanding debt. He explained that bond rating agencies evaluate a wide range of indicators, including employment trends, financial performance, and debt levels, all of which contribute to the city's favorable standing.

Mr. Magureanu noted that while the city plans to issue additional debt for upcoming projects, it has strategies in place to manage it responsibly. He explained that part of the Public Works building will be supported by local sales tax, and that existing debt service payments, approximately $2.2 million, will come off the books in 2027 and can potentially be repurposed for future projects such as a new license center, reducing the need to take on additional debt.

Mr. Magureanu reiterated that the recommended transfers are based on the limited availability of unrestricted funds. He explained that certain funds, such as utility and park dedication funds, are legally restricted and cannot be used for other purposes. As a result, only a small number of funds with available reserves can be considered for reallocation.

Mr. Magureanu concluded by requesting the Commission's support for the proposed transfers so that staff can communicate that recommendation to the City Council, while noting that alternative options could be discussed if desired.

Chair Kanzenbach and Mr. Magureanu discussed proceeding with a motion to formalize a recommendation to the City Council. They clarified that any motion made by the Finance Commission would serve only as a recommendation and not a binding decision.

Chair Kanzenbach outlined the process, indicating that a motion would be made, followed by a second, discussion, and then a vote. He invited a commissioner to move that the staff recommendation be adopted, suggesting that it include the key transfer amounts outlined in the first portion of the proposal so they can be clearly recorded in the minutes.

Commissioner Jeffers moved, seconded by Commissioner Randolph, to recommend the transfer of $1,604,629 to the general fund, including $637,463 from the License Center Fund, $926,008 from the Cash Reserve Fund, and $40,009.78 from the Parks and Recreation Fund. Also, transfer $40,378 from the Parks and Recreation Fund to the Communication Fund to bring both funds to their minimum target reserve levels.

Commissioner Vervoort asked whether funds such as the License Center, which generate their own revenue, are expected to support other funds regularly. She questioned whether transfers to the general fund are likely to occur each year, or if these funds are not consistent revenue generators and therefore may require periodic reallocation to meet reserve targets.

Mr. Magureanu explained that transfers are not necessarily required every year. Still, the general fund is most likely to need support because it carries the largest levy, and the city aims to keep it as manageable as possible. He noted that while the Parks and Recreation Fund also includes a levy, the License Center Fund does not, which affects how each fund operates and generates revenue.

Mr. Magureanu indicated that funds with consistent surpluses may continue to support the general fund when needed. Still, the timing and amount of those transfers will vary and must be evaluated annually. He added that the Commission will revisit these fund balances each year, and depending on conditions, may recommend transferring excess funds either into the Cash Reserve Fund or to other areas based on future needs.

Commissioner Vervoort asked for clarification on the beginning fund balance, confirming whether it reflects the start of 2025.

Mr. Magureanu explained that the beginning fund balance represents the ending balance from December 31, 2024, or January 1, 2025. He noted that throughout the year, revenues are added and expenses are subtracted, resulting in the ending fund balance as of December 31, 2025. He summarized that the fund balance is calculated by taking the beginning balance, adding revenues, and subtracting expenses to arrive at the new year-end balance.

Chair Kanzenbach noted that this discussion will be important to keep in mind during the budget process, emphasizing that the city does not have excess cash and that this constraint should be considered a key factor when reviewing future budgets.

Mr. Magureanu confirmed that the budget process is already underway, noting that staff have begun discussions with department heads. He explained that a Council workshop is scheduled for April 20, where preliminary budget figures will be reviewed for the first time, though those details have not yet been publicly shared.

Mr. Magureanu emphasized that the budget process is ongoing throughout the year and typically begins as early as March, allowing time for planning, projections, and adjustments.

Commissioner Jeffers noted that while the information was understandable, it would be helpful to include the beginning fund balance date in the future. He explained that, given the presence of revenue and expenditure figures and the timing within 2026, it took a moment to identify the starting and ending points. He suggested labeling the beginning balance with a date, such as January 1, 2025, for clarity, and added that aside from that, the presentation was clear.

Mr. Magureanu acknowledged the suggestion and noted that he included explanatory notes in the document to help clarify the results. He agreed that adding a clear date for the beginning fund balance would improve readability and confirmed that he will include either January 1, 2025, or December 31, 2024, in future versions for clarity.

The motion carried unanimously.

Mr. Magureanu noted that an additional attachment was provided showing the historical use of the Cash Reserve Fund. He explained that this schedule tracks when funds were added and when they were used, going back to 2018. He added that the current balance of approximately $926,000 reflects those historical transactions, with minor rounding differences between reports.

Commissioner Jeffers asked for clarification on the 2024 contribution of $424,002.36 shown under the Parks and Recreation Fund. He questioned how that amount was determined and why it appears as the only contribution for that year.

Mr. Magureanu explained that the 2024 contribution of $424,002.36 came solely from the Parks and Recreation Fund, as it was the only fund that had excess reserves available for transfer that year.

Commissioner Jeffers confirmed that the listed contributions represent surplus funds and noted that it initially took some time to understand the multi-year layout. He observed that the larger contribution amounts in earlier years, particularly around 2018 and 2019, likely reflect the Cash Reserve Fund's initial establishment and funding, resulting in higher transfers during that period.

Mr. Magureanu explained that the attachment shows both contributions to and uses of the Cash Reserve Fund over time, with contributions and withdrawals clearly identified by year. He noted that various funds, such as Information Technology, Parks and Recreation, and the License Center Fund, have contributed surpluses to the Cash Reserve Fund in different years.

Mr. Magureanu added that the schedule illustrates how funds have been both added to and drawn from the Cash Reserve Fund since its creation. He indicated that upcoming entries will reflect the use of these funds in 2026, thereby reducing the balance accordingly, and that the updated balance will be shown in future reporting.

**Maintenance and Operations Center Update/Discussion**

Finance Director Magureanu provided an update on ongoing capital projects, noting that progress is still in the early design phase. He explained that both the Maintenance and Operations Center and the License and Passport Center are currently in schematic design, with the License Center project slightly ahead. He indicated that current efforts are focused on space planning, site layout, and overall design concepts, including building size, location, and parking.

Mr. Magureanu noted that a stakeholder group, including nearby residents and a Commission representative, has been involved in reviewing design elements and site development, with their most recent meeting held on February 12. He added that the License Center is being considered as a one-story facility with shared parking of approximately 150 spaces, and that discussions so far have centered on layout, aesthetics, and site use.

Mr. Magureanu explained that there have been no major updates since that meeting and encouraged Commissioners to follow City Council meetings for the most current information. He stated that updates will continue to be shared as they become available.

Mr. Magureanu also discussed the timing of future bond issuance, noting that the city will align borrowing with construction needs. He explained that once a construction timeline is established, staff will work backward to determine when funds are needed and initiate the bond issuance process accordingly. He added that this will involve coordination with bonding agencies, public hearings, and council actions, and may result in separate bond issuances for the different projects.

Chair Kanzenbach noted that the projects will likely be financed through different funding sources, with one supported by sales tax and another through separate financing. He indicated that, as a result, the timing of bond issuances could vary and may occur months apart depending on project needs.

Mr. Magureanu noted that the bond issuance process will be lengthy and will require multiple meetings and steps before completion.

Commissioner Vervoort asked how the current timeline compares to the original proposal, noting the sequence of sales tax approval in November 2024, implementation in July 2025, and a hoped-for construction start in 2027.

Mr. Magureanu responded that the projects are still in the early design phase and that key details, such as the final design, site decisions, and total project costs, have not yet been finalized. He indicated that the work remains focused on architectural planning, layout, and general concepts, and that more precise timelines and costs will be determined as the project progresses.

Commissioner Vervoort noted that there were two separate sales tax questions related to the projects, with one approved and the other not approved.

Mr. Magureanu acknowledged that distinction, confirming that the approved sales tax is being used to support one of the projects, while the other project will need to rely on a different funding approach.

Chair Kanzenbach noted that he had been informed that sales tax revenues are coming in ahead of projections.

Mr. Magureanu confirmed the trend, explaining that collections have been strong, with December, typically a high-revenue month due to holiday spending, bringing in over $600,000.

Commissioner Vervoort and Chair Kanzenbach discussed the structure of the sales tax, noting that it is intended to remain in place for up to 20 years or until the associated debt is fully repaid, whichever occurs first. They also noted that the revenues are dedicated to that purpose.

Mr. Magureanu confirmed that projected sales tax revenues are sufficient to cover the full debt service over the life of the bonds and that those funds will be used accordingly to repay the debt.

Mr. Magureanu noted that he was unsure of the exact timing for certain elements and had hoped for additional input from staff. He explained that the information shared represents what can currently be disclosed publicly, and that there may be additional details still under development that are not yet ready for release. He concluded that, based on available information, there have been no significant updates beyond what was presented.

## **Finance Tracking Document**

Chair Kanzenbach introduced the finance-tracking document, noting that it was included in the meeting packet and was created by the former chair to track the Commission's recommendations over time. He noted that it serves as a running record of past items and may be updated by removing older entries while continuing to track current priorities.

Chair Kanzenbach referenced specific items, including suggestions to add new columns to financial statements, such as showing percentage increases in property taxes. He observed that many of the tracked items relate to improving financial disclosures, potentially within the statistical section of the ACFR.

Chair Kanzenbach also noted that staff have been working to improve disclosure materials and presentations and suggested that some of the previously recommended items may already be addressed through those efforts or could be incorporated into the updated formats in the future.

Mr. Magureanu explained that two primary recommendations have been addressed through ongoing efforts. He noted that historical data on property taxes and community impact are better suited to inclusion in the budget book, where those impacts are more fully analyzed during the budget process.

Mr. Magureanu added that staff is also developing a Popular Financial Report for the 2025 financial statements, which will provide a simplified and more accessible summary of the city's finances. He indicated that this report will likely include historical tax rate information and related impacts to improve transparency for the public.

Mr. Magureanu further noted that updates are being made to the statistical section of the annual report, including the addition of newer revenue sources such as franchise fees from utilities. He stated that these enhancements are already underway and that changes will be highlighted in the 2025 report so the Commission can clearly see what has been updated since prior years.

Chair Kanzenbach noted that he had originally suggested including this information in the Annual Comprehensive Financial Report, but said he is comfortable presenting it in other formats. He indicated that if the information is publicly available and serves to improve transparency, the approach taken is sufficient, and he feels the work plan is in good shape.

**Workplan and Future Discussion Items**

Finance Director Magureanu noted that, based on prior email discussions, there was interest in adding a new item to the tracking document to review the city's investment policy. He suggested that the Commission consider formally including this as a recommendation for future evaluation.

Chair Kanzenbach noted that the joint City Council and Finance Commission meeting is part of the annual work plan and is used as an opportunity to present recommendations and feedback. He asked for clarification on the specific date of that meeting, indicating it was not clearly identified in the materials.

Mr. Magureanu responded that the joint meeting is likely scheduled for June but noted that he did not have the exact date available and that it is likely reflected on the city's calendar.

Chair Kanzenbach explained that the joint meeting with the City Council will serve as an open forum for the Finance Commission to share feedback and recommendations. He emphasized the importance of preparing in advance so the Commission can present thoughtful input.

Mr. Magureanu added that he will send a reminder email once the meeting date is confirmed, so Commissioners are aware and can plan to attend.

Chair Kanzenbach and Mr. Magureanu discussed the upcoming audit review and related timing challenges.

Chair Kanzenbach noted that the Finance Commission is scheduled to review the audit on May 12.

Mr. Magureanu explained that the audit will be presented to the City Council on May 11, before the Commission's review, due to timing constraints. He noted that staff is also bringing the recommended fund transfers to Council on May 5, and that additional entries still need to be completed before finalizing the audit materials.

Mr. Magureanu indicated that the sequencing was not ideal this year, as he would prefer the Commission to review the audit before it goes to Council. However, he explained that scheduling and preparation timelines made that difficult. He added that, moving forward, he will aim to align the process better so the Commission can review audit materials in advance and provide input before Council consideration.

Mr. Magureanu also confirmed that the auditors plan to present their findings to the City Council on May 11 as part of the audit process.

Chair Kanzenbach asked whether an auditor would attend the May 12 meeting, noting uncertainty about past practice.

Mr. Magureanu responded that auditors have attended in the past and indicated he can reach out to Redpath to see if they are available. He added that while many questions can be addressed by staff, having the auditors present could be helpful for a more detailed discussion.

Chair Kanzenbach and Mr. Magureanu noted that the next meeting is expected to be lengthy, with significant discussion planned, including updates on the Maintenance and Operations Center and a deeper review of various funds.

Mr. Magureanu acknowledged that the financial statements can be complex, especially for those new to governmental accounting. He offered to meet one-on-one with Commissioners to walk through the reports and explain key concepts. He emphasized that this could help build a clearer understanding and make future meetings more efficient.

Chair Kanzenbach added that the financial statements are available on the city's website, though somewhat difficult to locate, and noted that governmental accounting can be challenging due to the use of multiple funds and different accounting methods.

Mr. Magureanu encouraged Commissioners to reach out and schedule time with him for additional guidance or a detailed overview.

Commissioner Kaney noted that he was able to locate the 2024 Annual Comprehensive Financial Report online, though he observed that it is a lengthy document.

Mr. Magureanu explained that the report can be accessed through the city's website by navigating to Government, then Departments, then Finance, and selecting Budget and Financial Reports. He noted that multiple years of reports and budget documents are available in that section.

Chair Kanzenbach added that while the document is extensive, certain sections, particularly the statistical section and the notes to the financial statements, provide valuable insight into the city's operations and financial trends beyond just revenues and expenses.

Mr. Magureanu encouraged Commissioners to review the report and reiterate his offer to meet individually to walk through the financial statements and answer questions.

Chair Kanzenbach proposed adding a review of the city's investment policy to the work plan, noting that it was last updated in 2022 and may benefit from revisions.

Chair Kanzenbach shared his background in investment management, particularly with municipal bonds, and offered to take the lead on the review in coordination with Mr. Magureanu. He emphasized the importance of ensuring the policy is clear, practical, and easy to follow, outlining what is permitted and what is not, and confirming that the procedures described are realistic and workable in practice.

Mr. Magureanu noted that after the topic was raised, he reviewed the current investment policy and prepared a preliminary draft update. He explained that while no major changes were made, he focused on improving clarity and overall flow. He suggested sharing the draft with the Commission and using it as a starting point for further discussion.

Mr. Magureanu recommended comparing Roseville's policy with those from other cities to identify potential gaps or improvements. He also suggested seeking input from external resources such as the League of Minnesota Cities, legal counsel, and financial brokers, noting that these groups can provide valuable guidance and ensure compliance with state statutes.

Mr. Magureanu explained that brokers are required to follow the city's investment policy and to annually acknowledge that they will recommend only investments consistent with it. He emphasized that the policy must clearly define allowable investments and align with legal requirements.

Chair Kanzenbach agreed and noted that while the policy does not require urgent changes, it is a good time to review it. He emphasized that municipal investment policies are intentionally conservative due to state restrictions, with a focus on safety and liquidity rather than high returns.

Mr. Magureanu added that investment decisions are driven largely by cash flow needs and the city's capital improvement plan, ensuring funds are available when needed. He noted that the city prioritizes preserving principal and maintaining liquidity, with typical investments including municipal bonds, U.S. Treasuries, insured certificates of deposit, and money market accounts.

Commissioner Kaney asked whether updates to the investment policy require formal approval or are handled administratively by staff.

Mr. Magureanu explained that the City Council must approve any changes to the investment policy. He noted that staff present updates that summarize revisions, often highlighting changes through tracked edits and explaining the rationale behind them, after which the Council takes action to approve the policy.

Chair Kanzenbach added that the anticipated updates are primarily focused on improving clarity and usability rather than changing what the city is allowed to invest in. He emphasized that the policy would remain aligned with state regulations and existing practices, to make it clearer and more practical to follow.

Mr. Magureanu and Chair Kanzenbach emphasized the importance of regularly reviewing financial policies, noting that these policies guide key functions such as investing, purchasing, and internal controls.

Mr. Magureanu explained that while staff follow established practices, periodic reviews by fresh perspectives are valuable to ensure clarity and alignment with current standards. He noted that policy updates are often supported by guidance from organizations such as the League of Minnesota Cities, which provides alerts, recommendations, and best practices when regulatory or industry changes occur. He added that multiple resources, including legal review and professional networks, help ensure policies remain current and compliant.

Chair Kanzenbach highlighted the significance of these policies given the scale of city funds being managed, noting that reserves can total tens of millions of dollars.

Mr. Magureanu also referenced a recent investment portfolio performance review presented at a prior meeting, encouraging Commissioners to review it for additional context on how city funds are managed and how they are performing.

**<u>Commission Direction on Member Initiated Agenda Items</u>**

**<u>Other Business</u>**

Chair Kazenbach suggested that, with several new members present, it would be helpful for Commissioners to briefly introduce themselves, including their background, connection to Roseville, and interest in serving on the Commission. He asked whether the group agreed and invited a long-serving member to begin.

Commissioner Vervoort introduced herself, noting that she is in her third year on the Commission and has lived in Roseville for over a decade. She explained that her professional background is in the life sciences, that she holds a PhD in chemistry, and that she has no background in finance or accounting.

Commissioner Vervoort shared that she views herself as a representative of the general Roseville resident and often asks foundational questions to understand financial topics better. She highlighted her appreciation for the city's parks, especially as a parent of two young children. She noted a personal connection to the community through her time working at the Roseville library during high school and college. She welcomed the new members to the Commission.

Commissioner Jeffers introduced himself, noting that he recently retired after a 30-year career in accounting and tax accounting. He shared that he also served in the Navy earlier in his career.

Commissioner Jeffers explained that he has lived in Roseville for approximately 15 to 16 years and is interested in contributing to the community and helping maintain the city's strong standing. While he has not worked extensively in fund accounting, he noted that he has a broad background in various areas of accounting, including experience as a sales tax auditor, and brings a generalist perspective to the Commission.

Commissioner Davy introduced himself, noting that he has served on the Commission since around 2019. He explained that, like others, he does not have a financial background but values understanding how the city operates and staying aware of its financial health.

Commissioner Davy shared that he spent most of his career in government, including nearly 20 years in law enforcement with the Ramsey County Sheriff's Office, followed by work with a nonprofit. He currently works in corporate security for a financial services company in St. Paul. He added that he lives in Roseville with his wife and their dog, and that he appreciates being part of a well-run city.

Chair Kanzenbach introduced himself, noting that he is in his second year on the Commission after retiring a little over a year ago. He explained that he joined the Commission to stay engaged and contribute his expertise.

Chair Kazenbach shared that his professional background is in institutional investment management, with a specialization in fixed income and municipal bonds. He noted that he has evaluated thousands of municipalities from a credit perspective and has extensive experience analyzing the drivers of a city's financial health.

Chair Kazenbach added that he and his wife have lived in Roseville for nearly 50 years, raising their daughter in the community, and expressed his appreciation for the city. He remarked that serving on the Commission has provided a valuable perspective, noting the difference between analyzing cities from the outside and working within one.

Commissioner Randolph introduced himself, noting that he is new to the Commission and has lived in Roseville for about a year, having recently become a homeowner. He shared that he has been focused on settling into homeownership and getting established in the community.

Commissioner Randolph explained that he works as a data analyst and has an academic background in social psychology. He noted that he does not have a formal background in finance but is interested in contributing his analytical skills. He added that he joined the Commission to become more involved in the community and local government, now that he is more settled in Roseville.

Commissioner Kaney introduced himself, noting that he was recently appointed to the Commission. He shared that he and his wife moved to Roseville in May 2023 and have three young children, two of whom attend Roseville schools. He expressed appreciation for the community, particularly the parks and neighborhood environment.

Commissioner Kaney explained that his professional background is in finance, with approximately 13 to 14 years in banking. He currently manages a team of underwriters, working primarily with businesses generating over $50 million in revenue, with loan sizes typically starting around $10 million and extending to public companies. He noted experience reviewing audited financial statements and some exposure to bond financing, particularly in nonprofit and tax credit structures.

Commissioner Kaney added that while he is not an expert in municipal finance, he is comfortable analyzing financial data and asking thoughtful questions. He stated that joining the Commission is a structured way to give back to the community that fits with his family responsibilities.

Mr. Magureanu introduced himself, noting that he goes by Sam and is originally from Romania. He shared that he has lived in the United States for over 20 years and has been a U.S. citizen for many years. He explained that he has three children and lives in Woodbury, where his family has resided since 2014. He noted that his children are school-age and that he commutes daily to Roseville.

Mr. Magureanu explained that he has been with the City of Roseville for approximately two and a half months. He outlined his professional background in local government finance, including prior roles as Finance Director for the City of Lino Lakes and the City of Lake Elmo, as well as experience with the City of Stillwater. He added that he began his career in governmental auditing, which led to his continued work in municipal finance, with approximately 10 years of experience in the field.

Chair Kanzenbach thanked everyone for their contributions to the community.

**<u>Adjourn</u>**

Commissioner Kaney made a motion, seconded by Commissioner Davy to adjourn. The motion carried unanimously.

Meeting adjourned at 7:57 p.m.