Finance Commission Agenda

Tuesday, September 15, 2026
6:30 PM
City Council Chambers

In accordance with Minnesota Statutes §13D.02 and City policy, Council and Commission members may attend meetings remotely up to three times per calendar year.

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

1. **Roll Call - Bergquist, Dahir, Davy, Kanzenbach, Vervoort, Jeffers, Kaney, Randolph**
2. **Approval of Agenda**
3. **Receive Public Comment**
4. **Approval of Meeting Minutes**
    a. Approval of meeting minutes
5. **Business Items**
    a. Establish Recommendation on the 2027 City Manager Budget and Tax Levy Scenarios and the 2027-2046 Capital Improvement Plan
    b. Maintenance and Operations Center Update/Discussion
    c. 2026 Meeting Topics & Calendar
    d. Finance Tracking Document
6. **Commission Direction on Member Initiated Agenda Items**
7. **Other Business**
8. **Adjourn**

Finance Commission
Meeting Minutes
DRAFT – August 26, 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, and Raye Kanzenbach

Youth Commissioners Present: None

Commissioners Absent: Kyle Randolph, Anna Vervoort, and Aldo Bergquist

Staff Present: City Manager Patrick Trudgeon
Finance Director Sam Magureanu

Approval of Agenda

Commissioner Davy moved, seconded by Commissioner Jeffers, to approve the August 26, 2026 agenda as presented. The motion carried unanimously.

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

Chair Kanzenbach asked whether the Commission had changes or corrections to the July 14, 2026, meeting minutes.

Commissioner Kaney clarified that he had attended the July 14 meeting and should be listed among the Commissioners present.

Commissioner Davy moved, seconded by Commissioner Jeffers, to approve the July 14, 2026, meeting minutes as amended. The motion carried unanimously.

Receive and Discuss 2026 City Manager's Preliminary Budget, Levy and Scenarios

Mr. Trudgeon introduced the 2027 City Manager-recommended budget and reviewed the remaining budget process. The Finance Commission would continue its review in September and forward recommendations to the City Council before the preliminary, not-to-exceed budget and levy were adopted on September 28. He explained that the preliminary levy could later be reduced but not increased. He described the budget as a collaborative effort involving Finance Director Magureanu and department heads, with significant pressure from inflation, personnel and contractual costs, equipment expenses, implementation of the Strategic Plan, and the continuing cost of 22 public-safety positions added in 2026.

Mr. Trudgeon reviewed the progression of the proposed levy increase, which began at 9.36% in April for existing services and increased to 11.95% in July after the department incorporated requests, required planning work, and strategic priorities. Staff subsequently identified approximately $1.5 million in reductions and funding shifts, lowering the operating and capital levy increase to 7.8%. Reductions included employee-benefit adjustments, deferred studies and positions, reduced newsletter frequency and receptionist hours, lower staffing and programming in Parks and Recreation and Fire, several Police Department reductions, and using non-levy funds for eligible Public Works, planning, EDA, and Parks expenses.

Mr. Trudgeon also discussed the General Fund reserve, which City policy requires to remain between 35% and 50% of the following year's operating expenditures. Because the City was already near the 35% minimum, the proposed budget would leave little flexibility for unexpected costs or revenue shortfalls. Even with a levy increase near 10%, the General Fund could remain approximately $1.5 million below the minimum reserve target under conservative assumptions. Staff therefore continued evaluating transfers from eligible funds, budget savings, stronger revenues, internal borrowing, and additional levy support. Despite the reductions, the recommended budget retained several priority expenditures. These included a new Park Maintenance position, a civilian Police Investigative Aide, temporary Leaf Recycling Center staff, negotiated labor costs, a 3% cost-of-living adjustment and performance steps for non-union employees, additional funding for Police vehicles and City facilities, required comprehensive-planning work, website accessibility improvements, a facility assessment, and implementation of the Police Department's AXON records-management and technology system.

Finance Director Magureanu reported a proposed Governmental Funds budget of approximately $77.3 million and a draft Enterprise Funds budget of approximately $27.2 million. He explained that Enterprise Funds, including water, sewer, stormwater, recycling, and golf-course activities, were primarily supported through user charges rather than property taxes. The proposed base levy was approximately $35.6 million, representing a 7.8% increase over 2026.

Chair Kanzenbach observed that the historical levy graph did not reflect the utility franchise fee implemented during the prior budget cycle. He viewed the franchise fee as an additional cost borne by residents and businesses and estimated that it was equivalent to approximately 7% of the levy when first implemented.

Mr. Magureanu acknowledged that the franchise fee represented a significant new revenue source and could reasonably be viewed as tax-like. He clarified that the graph showed only the formal property-tax levy and that the franchise fee was already in place, so it did not represent another increase from 2026 to 2027. He reviewed the levy by category. The levy included General Fund support, debt-service levies, capital-fund levies, and the EDA levy. He noted that much of the existing debt service was scheduled to mature in 2028, with the newer fire-truck debt continuing beyond that date. He also presented preliminary levy forecasts showing continued pressure in future years. Under conservative assumptions, the starting projections were approximately 9.8% for 2028, 8.82% for 2029, and 5.63% for 2030. The projections assumed approximately 6% growth in salaries and benefits from cost-of-living adjustments, union settlements, and step increases; approximately 3% growth in many other expenditures; known grant changes; revenue trends; and scheduled debt changes.

Chair Kanzenbach commended staff for providing a multi-year forecast, noting that current budget decisions affected future levy needs and that the new information gave the Commission and City Council a better understanding of long-term consequences.

Mr. Magureanu explained that revenue estimates were intentionally conservative because overstating future revenues could cause funds to use reserves unexpectedly. He noted that Parks and Recreation revenue projections had recently been refined with the department director and that known changes were incorporated. In contrast, uncertain revenue was generally held near historical levels. He reviewed the General Fund reserve projection. The General Fund was projected to end 2026 with approximately $10.25 million, but the proposed 2027 expenditure base would place reserves near 30.81%, approximately $1.39 million below the 35% minimum. He explained that the City could consider available Parks and Recreation reserves, possible License Center surplus, budget savings, stronger revenues, or other permitted resources to address the remaining gap. He explained that failing to meet reserve policies could affect compliance with the City's own policy, State Auditor guidance, cash-flow needs, and future credit-rating reviews. He reiterated that the City was not operating at a cash deficit; the issue was maintaining the policy reserve percentage relative to a growing budget. He compared Roseville with similarly sized metropolitan cities that provide comparable services. He explained that Roseville's 2026 City tax rate was among the lower rates in the comparison group and that the proposed 2027 rate under the 7.8% levy scenario would likely remain competitive once other cities adopted their own increases.

Chair Kanzenbach asked whether comparisons limited to Ramsey County would be more meaningful because county assessment practices were shared. Mr. Magureanu explained that Minnesota cities and counties used the same statutory tax-capacity framework, but he agreed that service differences mattered. He noted that some smaller Ramsey County communities did not operate their own police and fire departments or provide the same number of parks and other services, making the broader comparable-city group more useful for evaluating service value and operating efficiency.

Mr. Magureanu reported that Roseville's 2026 levy was the fifth lowest in the selected comparison group. The proposed 2027 levy would appear closer to the middle if every other city remained unchanged, which staff considered unlikely. He expected Roseville's relative position to remain similar after other communities adopted their preliminary levies.

Commissioner Davy asked why Edina's tax rate appeared substantially lower.

Mr. Magureanu and Mr. Trudgeon noted that Edina had a large tax base and high property values, allowing a larger total budget and levy to be distributed across greater tax capacity.

Mr. Trudgeon reviewed the estimated household impact. Under the 7.8% base levy, the median-valued home of approximately $400,183 would pay an estimated $162.40 more annually, or $13.53 more per month, in City property taxes. He recommended adding 2% to the base levy specifically to strengthen the General Fund reserve. The total recommended increase would therefore be 9.8%. The additional 2%, approximately $660,000, would not support new expenditures but would be deposited into the General Fund. The 9.8% scenario would increase City taxes on the median-valued home by approximately $198 annually, or $16.50 per month. He explained that the additional 2% would reduce the projected reserve shortfall to approximately $733,000. Fully closing the projected gap through the levy alone would require a total increase near 12%, which he did not consider feasible. Staff therefore recommended a measured approach using the additional levy along with possible transfers, savings, stronger revenues, or other legally appropriate sources.

Chair Kanzenbach asked whether the level of directed departmental reductions was unusual.

Mr. Trudgeon explained that departments reviewed budgets and actual expenses every year, but this year's process was different because staff received a specific directive to identify substantial reductions. Some reductions deferred new requests, while others reduced existing services that residents could notice, including newsletters, concerts, staffing hours, and programs.

Commissioner Jeffers questioned whether the additional 2% would be sufficient because the City would still need to identify more than $700,000 after the levy was set.

Mr. Magureanu explained that staff expected to evaluate Parks and Recreation reserves, additional License Center surplus beyond the existing transfer, possible utility-fund options where permitted, and 2026 expenditure savings or revenue gains. Quarterly financial reports would help determine what resources were available.

Chair Kanzenbach supported the additional 2% levy, despite concern about higher taxes. He cautioned that relying on temporary transfers or repeatedly postponing structural needs could allow the problem to grow. He believed the recommendation reduced the remaining gap to a level that staff could reasonably address without simply shifting the problem into future years.

Commissioner Kaney asked whether the City would continue operating close to the 35% minimum every year or whether the long-term objective was to rebuild reserves toward 40% to 45%.

Mr. Trudgeon agreed that the City needed a multi-year strategy. He explained that remaining at the minimum meant even a small cost increase could create noncompliance, while a reserve closer to 40% or 45% would provide greater stability. He noted that the 2026 public-safety expansion created an unusual increase in the expenditure base, even while federal grant funding reduced the immediate levy impact. Future budgets would need to account for the declining grant support. Staff had already incorporated the expected grant phaseout into the multi-year forecasts.

Commissioner Kaney asked how redevelopment and additional tax capacity could help control future levy pressure.

Mr. Trudgeon explained that development increased taxable value but could also increase demand for police, fire, parks, road maintenance, and other services. He cited the Twin Lakes redevelopment area as an example where new homes and businesses increased tax capacity while also generating additional service calls and infrastructure responsibilities.

Chair Kanzenbach calculated that, when the franchise fee and projected levy increases were considered together, the amount paid by residents and businesses could be approximately 39% higher in 2029 than in 2025. He believed the magnitude justified a careful review of major future commitments, including the planned License Center and municipal facility project. He questioned whether the City had adequately compared building a new facility with leasing space for the License Center. He noted that debt-service levies scheduled to expire could otherwise provide tax relief, while using that capacity for a new building would continue the cost. He recommended reconsidering whether leasing or a smaller facility could reduce long-term pressure.

Mr. Trudgeon explained that the City Council had previously made a policy decision to proceed with the municipal facility project by a 3-2 vote and that design costs had already been incurred. He noted that the facility would serve more purposes than the License Center and could be used for other City operations if License Center needs changed. He also explained that approximately $2.2 million of current debt-service levy was scheduled to expire, creating capacity to support new debt without adding the full debt-service amount on top of the existing levy. He advised that the Commission could include broader concerns about future budgets and the facility project in its September recommendation. However, the Commission's immediate assignment was to advise the City Council on the 2027 budget and levy.

Commissioner Davy asked why Fire Department overtime remained necessary after adding firefighters.

Mr. Trudgeon explained that the department added staff to increase minimum on-duty staffing and meet growing call volumes. Overtime was still required when leave, injuries, vacancies, or major incidents caused staffing to fall below minimum levels. He identified paid family and medical leave as a major staffing challenge for both the Police and Fire Departments. Extended absences required replacement staffing, and public-safety operations could not simply operate below minimum coverage. He noted that family and medical leave included more than parental leave and could also involve surgery or caring for family members.

Commissioner Davy asked about License Center operations in 2027.

Mr. Magureanu explained that operations were expected to remain in the current building during 2027. Construction of the new facility was anticipated to begin in spring 2027, with relocation tentatively planned for spring 2028. He described the License Center as a highly efficient and heavily used operation serving many customers from outside Roseville. Because State law limited the fees the Center could charge, staff budgeted revenues conservatively. The Center had historically generated surplus revenue that could help support other eligible City needs, and the City was advocating for a larger local share of State transaction fees.

Commissioner Kaney asked about a large increase in Parks and Recreation contractual services.

Mr. Magureanu explained that the increase was primarily for the Parks and Recreation System Master Plan. The plan would be supported with approximately $175,000 from Park Reserve funds rather than the property-tax levy.

Chair Kanzenbach reopened public comment for a resident who wished to address the budget item.

Mr. Crump expressed concern that repeated property-tax increases could make it difficult for residents, especially those on fixed incomes, to remain in their homes. He noted that rising assessed values did not provide cash to homeowners unless they sold the property and asked whether the City could identify additional service reductions or require properties generating substantial police and fire calls to bear more of those costs.

Mr. Crump appreciated the department reductions and the new long-range projections but remained concerned about cumulative increases. He also questioned the planned License Center facility and suggested that locating the operation in the HarMar area might support surrounding businesses and redevelopment.

Mr. Magureanu explained that the 1%-per-year inflation factor referenced in the packet applied to long-range Capital Improvement Plan estimates, not the operating budget. He acknowledged that actual construction inflation could be much higher and that the CIP would be updated annually as quotes, schedules, and market conditions changed.

Mr. Trudgeon and Mr. Magureanu stated that the recommended operating budget had already removed many discretionary requests and focused primarily on maintaining core services. They acknowledged the burden on taxpayers but noted that the City also faced vendor increases, construction costs, labor costs, regulatory requirements, and infrastructure responsibilities that could not be eliminated without reducing services.

2027 – 2046 Capital Improvement Plan Review #2

Finance Director Magureanu introduced the Commission's second review of the 2027-2046 Capital Improvement Plan. He explained that the CIP addressed long-term vehicles, equipment, streets, buildings, utilities, and other depreciable assets, separate from the annual operating budget.

Commissioner Kaney complimented the new Plan-It capital-planning website and dashboard, noting that it made the large volume of project and fund information easier to understand.

Mr. Magureanu explained that the public-facing Plan-It site would be linked from the City's website. It allowed users to review all projects, department and fund summaries, project narratives, revenue and expenditure assumptions, and projected ending fund balances. Staff could update projects and notes continuously, improving internal coordination and reducing reliance on multiple static spreadsheets.

Commissioner Davy asked what the Finance Commission was expected to accomplish during the CIP review.

Mr. Magureanu explained that the Commission served as an advisory body. Members should understand the assumptions, identify concerns, ask whether funding strategies were sustainable, and recommend changes to the City Council. He explained that Roseville maintained a 20-year CIP, while many cities used a 10-year horizon. The longer horizon helped the City identify major future costs early and determine whether levy increases, reserves, grants, user charges, donations, or debt would be needed.

Mr. Magureanu reviewed the City's capital funds, including Police and Fire vehicles and equipment, streetlights, parking lots and pathways, facilities, streets, parks, and utility infrastructure. He explained that major assets were recorded and depreciated, while routine repair and maintenance costs were generally expensed. He reviewed the inflation methodology added to the plan. Staff used current estimates or quotes for near-term projects and applied an additional planning factor to later years. The model added approximately 1% for each year beyond the current estimate, so a project ten years away included an additional 10% planning cushion. He acknowledged that the assumption could be low but emphasized that the plan would be updated every year.

Commissioner Jeffers questioned whether a cumulative 10% adjustment over ten years was realistic.

Mr. Magureanu agreed that actual inflation could be higher. He preferred a conservative planning increment that could be revised annually rather than inserting extremely high long-range estimates that would overwhelm the model. He noted that utility-rate studies had used more aggressive inflation assumptions and produced very high future costs. He reviewed the Police Vehicle and Equipment Fund. The 2027 budget proposed an additional $150,000 of levy support, with preliminary assumptions of another $100,000 in 2028 and $100,000 in 2029. The gradual increases were intended to maintain vehicle replacement schedules and prevent the fund from developing a significant deficit. He explained that keeping the Police Vehicle and Equipment levy flat would eventually cause the fund balance to become negative because vehicle and specialized-equipment costs were increasing. Gradual annual increases would be easier to manage than waiting until the fund required a large one-time correction. He also reviewed other equipment and capital funds and discussed the relationship between asset life and financing. Shorter-lived vehicles and equipment should generally be funded through accumulated reserves and annual levies. Long-lived facilities could appropriately use debt so that future residents benefiting from the asset shared in its cost. He noted that several capital funds remained healthy under current assumptions, while the Facilities Fund required continued attention because of the size and timing of future building needs. The plan included the new municipal facility, Maintenance and Operations Center, OVAL refrigeration, and other major building components.

Chair Kanzenbach asked whether some equipment purchases could be deferred when existing assets remained serviceable.

Mr. Magureanu agreed that departments regularly reevaluated replacement timing. Extending useful life by one or two years could reduce near-term pressure when the asset remained safe and reliable, but deferrals could not become a substitute for long-term funding.

Commissioner Davy asked whether the approximately $64 million shown for facilities primarily represented the License Center.

Mr. Magureanu clarified that the License Center and municipal facility were estimated near $14.5 million, while the larger amount was associated with the Maintenance and Operations Center and other facility work. He explained that the Maintenance and Operations Center was expected to use local-option sales-tax revenue to support debt service. The municipal facility would rely on general-obligation debt and the capacity created as existing debt-service levies expired. The CIP showed both the project costs and the anticipated financing sources. He identified a major future OVAL refrigeration replacement in the plan. Staff did not yet have a dedicated revenue source for the entire project, but including it in the CIP made the future need visible and allowed time to pursue grants, donations, debt, or other funding. He concluded that the CIP was generally in a workable position for 2027. Some funds would require gradual levy increases in later years, and major long-lived assets would likely require debt. Staff would continue updating costs, schedules, grant opportunities, donations, State aid, and other revenues annually.

Chair Kanzenbach summarized that the Commission appeared generally aligned with staff's approach: use current information, revise inflation assumptions annually, reserve debt for long-lived assets, and increase levy support gradually rather than allowing capital funds to become severely negative.

Mr. Magureanu agreed and identified the Facilities Fund as the area requiring the most aggressive long-term review. He noted that some facility needs could not be solved through small levy adjustments alone and would require a combination of debt and other revenue sources.

<u>Second Quarter 2026 Financial Report</u>

Mr. Magureanu introduced the second-quarter financial report and noted that the Commission had not traditionally received a detailed quarterly review. He planned to expand future reports with department-level summaries and additional variance information.

Chair Kanzenbach complimented the report's use of clear 'as expected' and exception notes, which allowed the Commission to focus on unusual results rather than reviewing every line item at the same level.

Mr. Magureanu reported that Governmental Fund revenues through June 30 were approximately $18 million, or 32.57% of budget. Property-tax collections appeared low because the City had received only the June advance by the end of the quarter. Additional settlements arrived in July, later in the fall, and the following January. He explained that successful property-value appeals could reduce the amount of tax revenue the City ultimately collected. When commercial or residential owners successfully challenged valuations, the reduction was not redistributed among other taxpayers during the current year. The City received less than the amount levied, which could reduce fund balance. He also reported that intergovernmental revenue was approximately 14.68% of budget and generally consistent with the timing of State aid and reimbursement-based grants. The department received grant revenue after eligible costs were incurred and reimbursement requests were submitted.

Commissioner Davy asked about a State Navigator grant.

Mr. Magureanu believed it was a Police Department grant but did not have enough information to describe the program accurately and offered to research it. He reported that licenses and permits were ahead of a straight-line midyear percentage but consistent with seasonal construction activity and prior years. Charges for services were near 50% and generally on track. Fines and forfeitures were difficult to predict because collections varied based on court and enforcement activity, but the total budget was relatively small. He also reviewed franchise-fee revenue. Cable franchise revenue was generally on schedule. The first Xcel franchise-fee payment was lower because implementation required several months, but the second-quarter distribution was stronger, and staff projected approximately $100,000 more revenue than initially estimated. He noted that approximately 65% of Governmental Fund revenue came from property taxes. Charges for services, licenses, and permits were the next-largest categories.

Mr. Magureanu reported that personnel expenses were approximately 41.35% of the budget at midyear. Vacancies and the timing of overtime and temporary staffing contributed to the lower percentage. He expected some savings if vacancies continued, although overtime used to cover vacancies could reduce those savings.

Chair Kanzenbach asked whether the lower personnel percentage indicated that the City would finish the year under budget.

Mr. Magureanu responded that the third- and fourth-quarter reports would provide a more reliable answer because overtime, seasonal staffing, and vacancies could change. He explained that contractual-service percentages depended heavily on project schedules and were not meaningful when viewed only as a straight-line midyear percentage. Utility costs were below 50%, which he attributed in part to relatively favorable weather. Debt-service payments were generally on schedule. He noted that transfers exceeded the expected midyear percentage because the City Council had approved an EDA-related transfer that was not included in the original budget. Capital spending in Enterprise Funds remained low because several major projects had not yet occurred and would likely appear in the third or fourth quarter.

Mr. Magureanu reviewed the City's investment portfolio. The City held approximately $56 million in longer-term investments, excluding a significant money-market balance used for liquidity. Some older securities carried low coupon rates and would mature over the next several years, allowing reinvestment at higher rates if market conditions remained favorable.

Commissioner Kaney asked when investment principal could be used.

Mr. Magureanu explained that the investments represented cash belonging to individual governmental, enterprise, capital, and special-revenue funds. The City could not use the entire portfolio for any one purpose because much of the cash was legally or operationally restricted to the fund that generated it. He explained that approximately $10 million of the portfolio represented General Fund reserves, while other portions belonged to water, sewer, stormwater, capital, and other funds. Investment earnings were allocated back to the funds based on their cash balances.

Commissioner Kaney asked how maturity schedules related to available cash.

Mr. Magureanu explained that, when an investment matured, staff decided whether to reinvest the proceeds or retain them for upcoming projects and operating needs. The City maintained a substantial money-market balance to avoid selling securities at a discount when cash was needed.

Chair Kanzenbach noted that securities could technically be sold before maturity but that low-coupon holdings would likely be sold at a discount. He agreed that maintaining adequate liquidity was prudent for public funds.

Mr. Magureanu explained that public-fund investing emphasized safety, liquidity, legal compliance, and a reasonable return rather than aggressive investment performance. He monitored projected utility collections, capital projects, tax settlements, and upcoming payments to determine how much cash should remain liquid.

<u>Maintenance and Operations Center Update/Discussion</u>

Chair Kanzenbach asked for an update on the Maintenance and Operations Center and municipal facility projects.

Mr. Magureanu reported that additional project and design information was expected at an upcoming City Council meeting. Staff was moving more actively toward construction of the municipal facility and License Center project in spring 2027.

Chair Kanzenbach asked what role the Finance Commission would have in the bonding process.

Mr. Magureanu explained that the bond issuance process was relatively standardized and would be managed with the City's financial advisor. Staff expected to begin preparations around November, complete the credit review, finalize the borrowing amount, and conduct a public offering. He reported that the City continued to maintain its strong credit rating.

Commissioners noted that a rating change would not necessarily be catastrophic but could increase borrowing costs. The formal review would consider updated financial statements, fund balances, and the amount of new debt.

Mr. Magureanu explained that the City was still determining whether to issue debt for both major projects together or in separate transactions, depending on design schedules, final costs, and construction timing. He anticipated that the financing process could be completed near the end of 2026 or early 2027.

Chair Kanzenbach asked whether bonds for the sales-tax-supported Maintenance and Operations Center would also carry the City's general-obligation pledge.

Mr. Magureanu explained that the structure was still being finalized but that a general-obligation backing could provide a stronger credit rating even when local sales-tax revenue was expected to make the debt-service payments. He noted that the City had already accumulated approximately $5 million in sales-tax revenue for the Maintenance and Operations Center. Construction timing for the larger center remained later than the municipal facility project, potentially beginning in late 2027 or 2028.

Receive Finance Commission Recommendations Tracking Report

Chair Kanzenbach reviewed the Finance Commission tracking document. No new completed recommendations or changes were reported.

2026 Meeting Topics & Calendar

Mr. Magureanu noted that the meeting calendar had been updated, including an investment and reconciliation discussion planned for October 13. He described the investment-control process. BMO consolidated investment statements, staff reconciled bank activity, the accountant and Finance Director reviewed transactions, and investment purchases and approvals were separated from reconciliation responsibilities. He explained that the process provided segregation of duties and was consistent with prior City practice.

Mr. Magureanu reminded Commissioners that the next meeting was scheduled for September 15. The Commission would be expected to establish recommendations on both the 2027 budget and tax levy and the 2027-2046 Capital Improvement Plan. He encouraged Commissioners to review the packet, prepare questions and proposed recommendations, and bring them to the September

15 discussion. Staff would then document the Commission's position for presentation to the City Council on September 21.

Chair Kanzenbach noted that some Commissioners would attend the September 21 City Council meeting to present the recommendations.

Mr. Magureanu reiterated that the City Council would adopt the preliminary, not-to-exceed levy on September 28. Property-tax estimates sent to owners later in the fall could be reduced before final adoption in December but could not be increased above the preliminary amount

Commission Direction on Member Initiated Agenda Items

Chair Kanzenbach asked whether Commissioners wished to initiate any additional agenda items. No additional items were requested.

Other Business

Chair Kanzenbach asked whether there was other business. No additional business was discussed.

Adjourn

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

Meeting adjourned at 9:14 p.m.

Roseville Finance Commission
Agenda Item

DATE: September 15, 2026 **ITEM:** 5.a.

ITEM DESCRIPTION: Establish Recommendation on the 2027 City Manager Budget and Tax Levy Scenarios and the 2027-2046 Capital Improvement Plan

Background

The City began developing the 2027 budget in early 2026, initially estimating a minimum levy increase of 9.36%, which later rose to 11.95% after departments refined their requests. Due to rising costs, the continued impact of adding 22 public safety employees in 2026, and a low General Fund balance, staff were directed to identify reductions and funding shifts, ultimately finding about $1.4 million in adjustments. Even with these reductions, the General Fund remains below the required reserve level, prompting the City Manager to recommend a 9.8% levy increase—7.8% to fund operations and capital, and 2% dedicated to rebuilding reserves. Under this recommendation, the median homeowner (home valued at 391,550, a 2.5% increase in market value from prior year) would see an annual City property tax increase of about $158.75 in 2027.

The City Manager presented his 2027 Budget and Tax Levy Scenarios at the Finance Commission meeting of August 26, 2026. A copy of his budget memo and PowerPoint were distributed to the Commission at the August 26th meeting.

Recommendation

The Commission generally makes a recommendation regarding the preliminary levy and budget, including the Capital Improvement Plan. The Chair of the Commission provides the Commission's recommendations at the City Council meeting scheduled for September 21, 2026. The City Council will approve a preliminary tax levy on September 28, 2026.

Attachments

None

Roseville Finance Commission
Agenda Item

DATE: September 15, 2026 **ITEM:** 5.b.

ITEM DESCRIPTION: Maintenance and Operations Center Update/Discussion

Background

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

The information below was provided by the City Public Works Director, Jesse Freihammer:

Both the License Passport Center and Dance Studio (LPCDS) and Maintenance Operations Center (MOC) are still in schematic design. Both the LPCDS and MOC schematic design reports were presented to Council at their June 15th council meeting. The Council approved an agreement with the VFW to purchase a portion of their parking lot for the project. The agreement included a shared parking agreement and storm water easement over the parking lot.

A third stakeholder meeting was held Wednesday, June 3, 2026 to review updated plans and to get feedback on the building architecture as well as buffers around the sites. Stakeholder minutes and presentations can be found here. https://www.cityofroseville.com/4017/Civic-Campus-Final-Design-Stakeholder-Gr

The overall project is looking to be bid late this year with construction starting in 2027.

We have added a new FAQ section on the Civic Campus Project webpage that covers the License Center, Passport services, and the Dance Center building. You can find it here: The link is https://www.cityofroseville.com/3964/Civic-Campus-Project

At the September 14th Council meeting, an update was presented to City Council.

Recommendation

No recommendation at this time.

Attachments

None

Roseville Finance Commission
Agenda Item

DATE: September 15, 2026 **ITEM:** 5.c.

ITEM DESCRIPTION: 2026 Meeting Topics & Calendar

Background

Recommendation

Attachments
1. Annual Workplan 2026

Roseville Finance Commission

2026 Meeting Topics & Calendar

Month	2026 Discussion Topics (Tentative)
January 13	▪ Review final 2026 Budget & Levy ▪ Government Budget and Financial Processes Review ▪ Maintenance and Operations Center update
February 10	▪ CIP Discussion-should inflation be factored in, debt issuance, other changes ▪ Maintenance and Operations Center update
March 10	▪ Select Chair, Vice-Chair, and Ethics Commission Representative ▪ Review 2025 Investment Portfolio performance ▪ Maintenance and Operations Center update
April 14	▪ Oath of Office by new Commissioners ▪ Review 2025 preliminary year-end cash reserve levels ▪ Maintenance and Operations Center update
May 12	▪ Discuss items for Joint City Council-Finance Commission meeting ▪ Review 2025 Audit Reports ▪ Maintenance and Operations Center update
June 9	▪ Finalize discussion items for joint City Council-Finance Commission meeting ▪ Maintenance and Operations Center update
July 14	▪ 2027-2046 Capital Improvement Plan review #1 ▪ Maintenance and Operations Center update
August 26 * Wednesday	▪ Discuss the 2027 City Manager Recommended Budget & Tax Levy ▪ 2027-2046 Capital Improvement Plan review #2 ▪ Maintenance and Operations Center update ▪ Q2 Financials
September 15	▪ Establish Recommendation on 2026 City Manager Recommended Budget & Tax Levy ▪ Establish Recommendation on 2027-2046 Capital Improvement Plan ▪ Maintenance and Operations Center update
September 21	▪ Present Budget Recommendation to City Council
October 13	▪ Update on the Council-adopted 2027 preliminary Budget & Tax Levy ▪ Review and adopt a recommendation on the 2027 proposed utility rates ▪ Investments Review
November 10	▪ Adopt 2027 Meeting Calendar ▪ Adopt 2027 Work Plan

Roseville Finance Commission
Agenda Item

DATE: September 15, 2026 **ITEM:** 5.d.

ITEM DESCRIPTION: Finance Tracking Document

Background

Recommendation

Attachments

1. Tracking Document

Roseville Finance Commission
Recommendation Tracking Report
Report Date - April 14, 2026

No.	Recommendation	Description	Date Recommend	Date Presented	Status	Discussion and Next Steps
2025-06	Finance Commission agrees with the proposed update and revisions including the update to the statutory limit of 3% of estimated market value of taxable property. The Commission recommends changing the "AAA Bond rating" to "Strong Credit Rating". With these changes the Commission recommends approval by City Council.	Debt Policy review and revision	10/14/2025	10/27/2025	mplemente	Finance Commission reviewed and discussed proposed changes and updates to Debt Policy.
2026-01	Finance Commission recommends expanded disclosures in the statistical section of the Annual Comprehensive Financial Report. (ACFR)	Recommendation is to expand disclosures in Table 5. Recommends adding a new column to disclose the annual % increase in Property Tax. Further recommends adding new columns for Sales Tax and Franchise Fees. The intent of this recommendation is to show the annual change in city tax burden for homeowners and businesses. <u>Also report annual property tax on median value home</u>	1/13/2026		Pending	Finance Commission will continue the conversation about this recommendation at the meeting of 2/10/26. We expect the continuing conversation will include an examination of the annual change in city tax burden on median value home.
2026-02	Finance Commission would like to review a sample copy of a simplified ACFR report to determine if it might be a worthy addition to our standard financial reports.	Finance Director made reference to a simplified ACFR format that might be easier to read and understand.	1/13/2026		Pending	Discussion about the complex format of the ACFR. Probably beyond what is reasonable for the average reader to comprehend and synthesize.
2026-03	Numerous questions or recommendations were discussed in many of the City Funds. For example, suggested use of borrowing as a source of funds for fire engines. Another example is use of state grants or borrowed funds for OVAL improvements. A common theme of these suggestions is creative or alternative sources of funding so that levy is not the sole source of CIP funding.	Finance Commission reviewed the first draft of the Capital Improvement Plan for 2027.	1/13/2026		Pending	The Finance Commission asked questions or made recommendations about the CIP draft for the consideration of staff or City Council.
2026-04	Finance Commission recommends 20 year CIP report without inflation. Also recommends 10 year CIP report with a 3% inflation factor.	Finance Commission discussed format options for the CIP budget worksheets. Are the last 10 years of a 20 year look ahead really useful? Should we add a cost of living escalator of some sort?	1/13/2026		Pending	It was noted that costs contained in the CIP budget worksheets are updated to estimated market conditions each year