



REQUEST FOR ACTION

City of Rochester Financial Policies

MEETING DATE:

June 15, 2026

ORIGINATING DEPT:

Finance Department

AGENDA SECTION:

Consent Agenda

PRESENTER:

Brian Anderson

Action Requested:

Approving Financial Policies for the City of Rochester.

Report Narrative:

Municipal financial policies establish the framework for fiscal management, internal controls, and financial decision-making for the City of Rochester. These policies are intended to promote prudent stewardship of public resources, accountability, transparency, and the long-term financial sustainability of the City. The finance department has worked collaboratively with City departments to review and revise the City's financial policies to ensure they are current with State Statute, consistent with existing City practices, and aligned with those of other first-class communities.

Based on the feedback received from the Common Council on May 27th, team members revised Budgetary Control section under the Budget Policy by removing the procedural governance description and simply focusing on the Council's financial discretion. Also, the City's communication services were added to the services list in the Enterprise Shared Services Policy. Finally, additional language was added to the Payment in Lieu of Taxes Policy under the PILOT Rate stating that the PILOT for 2026 and 2027 will be based on approved budgets and will then be assessed annually, referring to the final three years of the implementation phase as discussed. In addition, staff will present additional information at a future meeting regarding the parking enterprise to assist Council in evaluating a new PILOT rate that could be incorporated into the 2028 budget.

Upon approval, staff will implement the revised financial policies, review them on an annual basis and bring them back to the Council for annual adoption. This process will support consistency and transparency for current and future Council Members, City team members, community members, and those doing business in the City of Rochester.

Please find attached a copy of the Rochester Financial Policies for consideration of approval.

Priorities & Foundational Principles:

Fiscal Responsibility & Sustainability
Economic Resilience

Policy Considerations & DEI Impact:

Approving these financial policies provides a consistent framework for budgeting, reserves, debt management, and other financial decisions while promoting transparency, accountability, and compliance with applicable regulations. DEI impact can help support the equitable and transparent allocation of resources and help ensure the sustainable delivery of City services throughout the community.

Prior Legislative Actions & Community Engagement:

May 27, 2026 - Presented at a Council Study Session.

Fiscal & Resource Impact:

Fiscal and resource impacts to approving these financial policies are they strengthen the City's fiscal health by promoting consistent budgeting, responsible debt management, adequate reserve levels, and long-term financial planning, which can improve financial stability and preserve the City's Aaa credit rating.

Alternative Action(s):

Alternative action would be to amend the Financial Policies or bring them back at a later date for approval.

Prepared By:

Brian Anderson

Attachments:

[Exhibit - City of Rochester Financial Policies](#)