

**WORKSESSION OF THE ANOKA CITY COUNCIL  
ANOKA CITY HALL  
CITY COUNCIL CHAMBERS  
JANUARY 24, 2022**

**1. CALL TO ORDER**

Mayor Rice called the worksession meeting to order at 5:00 p.m.

**2. ROLL CALL**

Present at roll call: Mayor Rice, Councilmembers Barnett, Skogquist, Weaver, and Wesp.

Staff present: City Manager Greg Lee; Finance Director Brenda Springer; Assistant Finance Director Liz Douglas; Engineering Technician Ben Nelson; Electric Utility Director Greg Geiger; City Attorney Scott Baumgartner; Community Development Director Doug Borglund; City Planner Clark Palmer; Public Services Director Mark Anderson; Communications Manager Pam Bowman.

Absent: None.

**3. COUNCIL BUSINESS and/or DISCUSSION ITEMS**

**3.1 Discussion; Northwest Metro Mississippi River Bridge Crossings Analysis Study – Feasibility Report Findings and Presentation.**

Engineering Technician Ben Nelson shared a staff report with background information stating the Northwest Metro River Crossing Feasibility Analysis study was exploring travel patterns along the Mississippi River and considering whether an additional river crossing is a viable option to solve current and forecasted mobility challenges. He said he and Councilmember Wesp have represented Anoka at the policy and technical meetings throughout the duration of the study then shared how population growth and development in the northwest Twin Cities metro area has driven the need to evaluate regional traffic demand and guide future investment in the area. The Northwest Metro Mississippi River Crossings Feasibility Analysis was commissioned to update what we have learned from previous studies, re-engage cities and counties, and understand the need for increased Mississippi River crossing capacity. Mr. Nelson said throughout the past 20 years, numerous investments have been made on area roadways along with significant growth and changes in land use. Growth in this region will continue beyond 2040, resulting in additional congestion to the roadway network and the existing Mississippi River Crossings in this region. The Minnesota Legislature authorized funding for MnDOT to complete this Northwest Metro

River Crossings Feasibility Analysis to review the existing Mississippi River crossings, travel patterns and demands, and explore ideas for increasing capacity.

Jennifer Wiltgen, MnDOT Metro North Area Coordinator and Paul Morris of SRF Consulting provided a presentation outlining the Executive Summary associated with the Feasibility Analysis Study then outlined stakeholder discussions and potential next steps.

Ed Evans, Anoka, commented about his work on the Planning Commission in the 1970s and bridge placement discussions that had occurred then shared a history of land acquisition and concerns about costs for the proposed improvements as any new crossing would only assist traffic coming from Champlin and other cities and not Anoka.

Councilmember Barnett asked more about the present value of benefits. Mr. Morris explained total travel time for both autos and trucks that would result in safety savings and how operating costs played into the fully benefit-cost analysis summary.

Discussion was held about the City of Dayton and past bridge connections. Mayor Rice thanked Ms. Wiltgen and Mr. Morris for the update.

3.2 Discussion; Rum River Human Service Center Property – Haven for Heroes Update and Proposal for Services Provided by Minnesota Adult and Teen Challenge.

Community Development Director Doug Borglund shared a staff report with background information stating Haven for Heroes has been in discussion with Minnesota Adult and Teen Challenge which is a 501 C3 nonprofit to locate and provide services on the Haven campus. MNATC's mission is to assist men, women and teens in gaining freedom from chemical addictions and other life controlling problems by addressing their physical, emotional and spiritual needs. They offer programs throughout Minnesota with campuses in Minneapolis, Brainerd, Duluth, Rochester and Buffalo. They have a broad spectrum of treatment and recovery programs that include outpatient, licensed residential, long term recovery programs, and aftercare and alumni services which allow them to effectively serve individuals with a broad spectrum of addiction issues.

Senator Jim Abeler shared comments regarding the proposal, explaining how the site is currently used and how this proposal would help Haven for Heroes passion for service thought and provide a good partnership for veterans only. He explained how this proposal would not change the current structure of Haven for Heroes but would be a good opportunity to use the building and expand. Senator Abeler spoke about populations served which would include current residents, outpatients, and those transitioning away from Haven for Heroes and said there was sufficient parking and how they would start small to ensure success. He

explained MNATC's request further which included office space and the ability to provide outpatient programming for veterans out of Cottage 3 and that Haven for Heroes would operate the housing as they do in Cottage 2 and Cottage 4.

Mr. Borglund shared more about the proposal and how the Cottages were currently zoned which allowed for residential treatment facilities for chemical dependency, corrections, mental health, and those in transition from treatment to independent living as a permitted use. He said those uses permitted in the zoning district were allowed only if the uses are at the direction or under the control of the State of Minnesota or Anoka County and that technically a freestanding outpatient programming facility as a principal use currently did not meet the intent of the district at this time but the existing zoning text could be amended to allow such a use.

Councilmember Barnett asked if the program would operate under Haven for Heroes or MNATC. Senator Abeler said those details were still being determined but would fall under the auspice of Haven for Heroes.

City Attorney Scott Baumgartner said he reviewed the current lease and relative use of the property which included a need for consent for use and should mirror the lease with Anoka County. He said before anything could occur a lease amendment would be needed with the County and then MNATC could have a permanent location or designated area, much like a sublessee.

Senator Abeler explained more about MNATC's request for dedicated space and how their operation would work.

Councilmember Barnett inquired about ways the lease agreement would not need to be amended. Mr. Baumgartner said the reason for the amendment was because the original intent was for housing only and now is being changed for other services and suggested including conditions such as credentialing and licensing.

Councilmember Weaver said it will be important to clarify who will be providing the maintenance and other likely improvements. Mr. Baumgartner agreed and said the lease would require Council approval as the City is the original lessee.

Mayor Rice shared how MNATC works to help clients get better and said while this is a good idea as it could help reduce veteran suicide, he had some concerns about the residential model and how it would work with veterans over time. He said it will be important to control the activity without spending a lot of money then suggested the need for a conditional use permit that would put controls in place.

Mr. Baumgartner said the lease amendment will help address those concerns and limit the use to what the City wants.

Councilmember Weaver clarified any services would be for veterans only and would not expand to family members.

Mr. Lee shared MNATC's plan to purchase a hotel in Coon Rapids for this use but was not successful.

Councilmember Skogquist said he was surprised about the language of how the use can only be operated by the County or State and how we do not allow treatment facilities otherwise. Mr. Baumgartner said it was possible the intent when the language was created was to legitimize the type of use.

Councilmember Barnett shared her experience with MNATC and how well the organization is operated with success rates of 78% of graduates remaining sober and substance free, stating they have been in operation for over 60 years.

Senator Abeler noted how MNATC does not want to operate residential programs as that is not their business model and how Haven for Heroes would still operate the residential aspect. He added he had spoken with members of the County Board who shared no concerns regarding this proposal.

Mayor Rice inquired if MNATC was faith-based. Senator Abeler said the organization was faith-based but was not required as part of their treatment program.

Mr. Borglund stated the zoning text amendment could be accomplished quickly.

Mr. Baumgartner noted no conditional use permit would be required for this use and suggested language be incorporated instead with the County.

Senator Abeler suggested the City move forward with the lease requirements to the County to facilitate these actions and thanked the Council for their support. He shared their plan to help provide food for Stepping Stones as part of amendments through the auditorium.

Council consensus was to continue forward with next steps to allow MNATC to operate at Haven for Heroes as proposed.

### 3.3 Discussion; COVID-19 Vaccination and Testing Emergency Temporary Standard (ETS).

Mr. Lee shared a staff report with background information stating on January 3, 2022, Minnesota OSHA (MNOSHA) adopted the federal OSHA COVID-19 Vaccination and Testing Emergency Temporary Standard (ETS) published November 5, 2021, in an attempt to protect the health of workers by mitigating the spread of the unprecedented virus in the workplace. The ETS was developed with the intent protect employees of large employers (100 or more employees)

from the risk of contracting COVID-19 by strongly encouraging vaccination. The ETS required covered employers to administer a mandatory COVID-19 vaccination policy, with an exception for employers that instead adopt a policy requiring employees to either get vaccinated or elect to undergo regular COVID-19 testing and wear a face covering at work in lieu of vaccination. The policy and collection of data was to be completed by employers by January 10, 2022. City staff worked to obtain the data from employees by that date and had it completed with a few exceptions of employees who were not available. The mandate related to requiring weekly testing and masking that was to go into effect on February 3, 2022. In an order issued January 13, 2022, the United States Supreme Court stayed enforcement of federal OSHA's COVID-19 Vaccination and Testing ETS pending the disposition of the petitions for review in the Court of Appeals for the Sixth Circuit. In light of the stay, MNOSHA also suspended enforcement of the ETS pending future developments. City staff has ceased collection of data from employees who have not submitted the data to our office and also suspended efforts to arrange for weekly testing and mandating masks by our employees. He said since this is not yet a final decision until further review of the Court of Appeals, staff will retain the data collected, according to law, and will keep the data in a secured location.

Councilmember Weaver suggested shredding the collected data instead of retaining because if the Court of Appeals ultimately requires vaccine information the process will likely start over and be different than outlined currently.

Mr. Lee said staff is unaware of the current state of appeals but suggested rather than starting over it may be beneficial to keep the data already on hand.

Mr. Baumgartner said there has been no direction on appeals and noted the appeal was based only that OSHA did not have the authority to enforce and that this action could still happen. He agreed the parameters may be different if the process begins again and will research what other cities are doing with regard to retaining the current data.

Councilmember Barnett suggested the data remain in paper form only and not electronic to help secure the data and agreed if the data can be destroyed that it should occur.

### 3.4 Discussion; Electric Utility Rates.

Finance Director Brenda Springer shared a staff report with background information stating the City charges electric customers for fixed charges, energy consumption, demand charges, and purchased power adjustments monthly to cover utility costs. The last utility rate increase to consumption and demand charges went into effect in January 2018. A small increase to fixed charges went into effect January 2022. She said the purchased power adjustment was increased in December 2021 and January 2022 then explained the variable cost of purchased

power increased approximately 19% over the last 6 months of 2021, which exceeds the average fluctuation in purchased power costs by about 15%. This variable is represented on the MMPA bill as an EAC (energy adjustment clause) which is used by MMPA to maintain a specific margin. MMPA notified us of these increasing costs in 2021 and will be using continued higher EAC charges, some use of fund balance, and possible energy charge increases to handle their increased costs. Ms. Springer explained labor costs will increase approximately 3.5% in 2022 compared to 2021 and another 3.25% in 2023 and that material costs have increased significantly, especially for transformers. She said these materials are necessary for the infrastructure portions of the Highway10 and upcoming street renewal projects and to have on hand in case of failure or damage. Actual financial estimates are being worked on by electric department. In order to maintain adequate margins on the purchased power, increases to the purchased power adjustment will need to reflect actual increases to the energy adjustment clause, fixed rates will need to reflect actual and projected increases to materials, and energy consumption and demand charges will need to reflect actual purchased power and other overhead costs. Ms. Springer noted rate increases require customer notification and two hearings and that changes to the purchased power adjustment can be made monthly to be in line with costs without hearings.

Assistant Finance Director Liz Douglas said staff was recommending a pass through of MMPA's costs. She noted initial estimates reflect a 27% increase to total costs in the electric utility department between the increased cost of purchased power, increased costs of labor, and the increased costs for materials. She stated purchased power adjustments for February 2022 will be .0275 and after rate changes go into effect the PPA will be the same as the EAC and will be updated monthly. She explained the current commercial fixed charges as well as demand charges which lag behind other MMPA utilities, including Connexus and Xcel Energy, and should be adjusted up to cover the increased costs of materials and infrastructure. She shared how energy charges may be slightly adjusted to be more in line with other utilities and result in an increase of a half cent per customer.

Electric Utility Director Greg Geiger said he supported this proposal, adding it should have been done before but there was no need then. He said the plan was to come back in the future with more rate classes and review the demand and fixed charges, adding the PPA will help us track costs better. He spoke about labor increases of 3.5% but said this proposal was not due to labor, adding Ms. Douglas had been outstanding in sharing comparables for an informed decision.

Ms. Douglas said we have room to grow compared to other MMPA cities then spoke about the intent to maintain historical margins.

Councilmember Weaver confirmed with this change Anoka will still be lower than other competitors.

Dr. Evans asked how staff arrived at the proposed increase and how the amounts were determined, stating the fees were variable and not fixed as in the past and suggested raising the rate instead. Ms. Douglas explained how the amount was reached by comparing month-by-month for the past year, adding materials will be actuals and how inventory has dramatically increased over time. She said the City has to account for the differences, including covering the increase.

Mayor Rice confirmed this action will be a straight pass-through and the customer will be paying what the MMPA is billing.

Dr. Evans said this new rate would be forever and how the electric utility has been very beneficial to the City and likened it to a franchise fee. He suggested the rate be a variable instead then asked how the increase will work for those receiving energy assistance.

Mayor Rice said the action will take away our ability to realize a windfall as the City is the beneficiary but we also have used the funds to help stabilize rates. He said the electric utility is an enterprise and if not used taxes would have to increase, adding 20% of customers are not Anoka residents.

Councilmember Weaver said he believed this would be the most efficient way to address the gap rather than changing the rate every 30 days.

Mayor Rice suggested we could raise the rate then review the purchase power which could be either a credit or charge and may be just as efficient.

Councilmember Skogquist spoke about past increases and how Anoka covered the gap which reduced our reserves and the difficulty in process to change the rate while we continue to lose money. He said the pass through was the best process to use while continuing to monitor.

Mayor Rice noted this will still make us behind a month but will stop some of the loss.

Mr. Geiger spoke about the possibility of raising rates which would involve cost analysis and a lengthy process and that this will get us back to zero to better analyze costs.

Councilmember Barnett said she supported the power purchase adjustment and noted it was not that important to be the lowest as most customers were not aware of this fact. She said while she did not want to see Anoka overcharge it was more important to be under Xcel and others.

Mr. Geiger said if Anoka is lower than MMPA we will always be lower than our competitors then explained how other cities operate their utilities which was not much different than Anoka and will still provide for reserves.

Council consensus was to move forward with staff's recommendation for a pass through of MMPA's costs.

### 3.5 Discussion; Council Ethics.

Mr. Lee shared a staff report with background information stating at the January 3, 2022, the Council discussed annual appointments of Councilmembers to various committees which resulted in disclosure of Councilmember Skogquist stating that he had attended the Community Education Advisory Committee meetings over the past five years as an ad-hoc member and that he now serves on the Board. He said Councilmember Wesp had expressed concern that Councilmember Skogquist had not disclosed this fact which lacked transparency and that Councilmember Barnett had felt Councilmember Skogquist should no longer be a Board member on that Committee. Mr. Lee said after discussion Council directed that this topic be included on a future worksession for further review of a possible Code of Ethics violation with Councilmember Skogquist not disclosing that he participated in the Community Education Advisory Committee.

Councilmember Wesp shared concerns with Councilmember's appointment and not disclosing that fact then noted the City's website showed that Councilmember Skogquist was representing Anoka City Council in this capacity, of which the Council was not aware. He indicated it was an ad-hoc meeting and minutes from September 23, 2021, included a new member update that showed Councilmember Skogquist as chairperson. He said while he did not think Councilmember Skogquist was doing this to better himself financially throughout budget discussions he advocated for keeping funding for Community Education but did not disclose his role in Community Education and felt the action was not ethical.

Councilmember Barnett clarified staff was seeking consensus to request the City Attorney to review the City's code of ethics and recommend any potential action.

Councilmember Wesp said he did not feel an opinion was needed as any violation was up to the Council.

Councilmember Skogquist said he had nothing to hide which is why he brought the topic forward. He said he attended the meetings and was uncomfortable with the nomination and had not attended any meetings since, adding he never said he was part of the board. He spoke about Council's action to weaponize staff to go after certain Councilmembers and encouraged Council to look at themselves as similar activity has happened in the past and felt this action was going after a colleague. He said he was fine with whatever the Council decided but was confident that other violations had occurred and was only concerned about this step.

Mayor Rice said he did not believe there was a legal conflict of interest but could be an ethical conflict of interest and asked if the code of ethics described a

situation like this. He said it should have been Councilmember Skogquist's responsibility to disclose this information and while the code of ethics may be taking some of this a step too far it was important to reveal any potential conflict prior to any voting.

Councilmember Weaver said the action comes down to perception and noted social media weaponizes as well and took exception to Councilmember Skogquist's comments.

Mr. Lee said it was important for staff to always remain neutral and to leave direction to Council.

Councilmember Barnett shared an example about a family member benefitting from a councilmember decision that was not financial in nature. Mr. Baumgartner said it depends, adding all councils struggle with this issue and that conflicts do not have to always be financial. He suggested if at any time a councilmember had a concern to ask him directly as he could assist in determining if a conflict exists which also brings the topic to the forefront and makes it transparent.

Mayor Rice suggested the City Attorney interview Councilmember Skogquist and make a determination. Councilmember Wesp disagreed, stating he felt a conflict had already occurred.

Mayor Rice agreed Councilmember Skogquist should have disclosed the information when it occurred and that based on the date that would determine whether he could participate in discussions on that portion of the budget.

Councilmember Wesp suggested someone from outside the City interview Councilmember Skogquist instead.

Mr. Baumgartner said he enjoyed working with all Councilmembers and did not to jeopardize any relationships and while he appreciated the offer noted he would always work towards the betterment of the City and would not take anything personally against any member.

Councilmember Weaver referred to the same concerns with Councilmember Skogquist attending the monthly Chairpersons meetings as a Council representative.

Councilmember Skogquist stated he was not representing the Council at those meetings then shared concerns that the code of ethics applied to all board members and commissioners as well and that if there was a concern that Council determine the process.

Mr. Lee suggested adding an item on the agenda for Council comments and concerns which would provide opportunity for any of these topics to become public.

Mr. Baumgartner suggested an annual review of the code of ethics to keep it current.

Councilmember Barnett asked if Councilmember Skogquist had any concerns with the bias of having the City Attorney interview him regarding this topic. Councilmember Skogquist said he accepted the Council's direction on this topic.

Councilmember Barnett compared this action to how they recommend neighbors speak with each other regarding a concern and if not resolved then come to the City and suggested that Council do the same by speaking with the other Councilmember first then if not resolved bringing it forward to the City Manager and City Attorney.

Council consensus was to have the City Attorney interview Councilmember Skogquist and make a recommendation regarding any potential code of ethics violation.

#### **OTHER BUSINESS**

None.

#### **4. ADJOURNMENT**

Motion by Councilmember Weaver, seconded by Councilmember Wesp to adjourn the Worksession at 7:40 p.m. Motion carried.

Submitted by: Cathy Sorensen, *TimeSaver Off Site Secretarial, Inc.*

Approval Attestation:

Amy T. Oehlers, City Clerk