

**REGULAR MEETING OF THE ANOKA CITY COUNCIL
ANOKA CITY HALL
CITY COUNCIL CHAMBERS
APRIL 4, 2022**

1. CALL TO ORDER

Mayor Rice called the regular meeting of the City Council to order at 7:00 p.m., followed by the Pledge of Allegiance.

2. ROLL CALL

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

Staff present: City Manager Greg Lee; Director of Public Services Mark Anderson; Communications and Recycling Manager Pam Bowman; Police Chief Eric Peterson, Police Captain Andy Youngquist, Finance Director Brenda Springer, Engineering Technician Ben Nelson; Director of Community Development Doug Borglund; City Planner Clark Palmer; and City Attorney Scott Baumgartner.

Absent at roll call: None.

3. COUNCIL MINUTES

3.1 March 21, 2022, Regular Meeting.

Councilmember Barnett requested a correction on Page 3, Item 9.1, from violet to violent.

Motion by Councilmember Barnett, seconded by Mayor Weaver, to approve the March 21, 2022, Regular Meeting minutes as corrected.

Vote taken. All ayes. Motion carried.

4. OPEN FORUM

4.1 Oath of Office of Patrol Officers Benjamin Fischer and Madison Straus.

Police Chief Eric Peterson shared about the hiring process of patrol officers in Anoka then shared the backgrounds of Officers Fischer and Straus. He issued their oaths of office then invited family members to pin their badges.

A round of applause was offered by the audience.

Councilmember Skogquist asked why the officers chose to come to Anoka. Officers Fischer and Straus shared their desire to work in Anoka because of the smaller department and support by Chief Peterson.

Councilmember Wesp welcomed the officers to Anoka and shared in their pride in working with the Anoka Police Department.

Councilmember Weaver commented about the amount of support given by the Anoka Police Department and welcomed Officers Fischer and Straus to Anoka.

Police Activity Update.

Chief Peterson shared an update on police activity throughout the City that included graduation from the Police Pals program then highlighted other upcoming police programs. He spoke about the small number of complaints to date regarding the Highway 10 construction then updated the Council about a recent traffic stop that resulted in a drug arrest.

Councilmember Weaver asked about the current number of sworn officers. Chief Peterson said once trained the department will be at full force and fully staffed which is great considering many other departments are not fully staffed.

OTHER INFORMATION UNDER OPEN FORUM

Ed Evans, Anoka, spoke about asphalt separation in areas throughout the City due to street sealing and traffic on secondary streets as a result of diverted traffic from the Highway 10 construction project and asked if the resulting damage would be reimbursed to the City. Director of Public Works Mark Anderson said funding had been included in the overall project for this type of repair.

Engineering Technician Ben Nelson said there were funds available for this type of repair in the amount of approximately \$15,000.

Former Councilmember Mark Freeburg asked about the area for sale for a restaurant behind City Hall and noted there were many restaurants already in the area that could be impacted then shared concerns about parking impacts.

Michael Steel, 2733 Rivers Bluff, spoke about his experience with their home owners association and the needed retaining wall repairs and cautioned the Council against allowing private associations to not be up to code with items such as streets and street lights as it can be costly to the homeowners.

Councilmember Skogquist asked about construction standards for private roads. Community Development Director Doug Borglund explained the standards for public roads but noted private roads were designed by the developer's engineer

which could be different. He said while utilities need to be at City standards and allow for an easement a private street is constructed for the urban section only.

Councilmember Skogquist suggested incorporating City standards for City-owned property.

Engineering Technician Ben Nelson shared an update on the Highway 10 improvement project and listed upcoming closures at several locations from March 31 through fall 2022.

Councilmember Weaver shared concerns regarding the pedestrian crossing on 7th Avenue and the need for signage. Mr. Nelson responded signage was included as part of the project and that the loop will be open April 5 and should be signed appropriately but would follow-up to ensure.

5. PUBLIC HEARING(S)

None.

6. CONSENT AGENDA

Motion by Councilmember Skogquist seconded by Councilmember Wesp, to approve Consent Agenda 6.1 through 6.11 as presented.

Councilmember Skogquist thanked the Commissioners for their service.

- 6.1 Approve Verified Bills.
- 6.2 Revising and Setting Council Calendars.
- 6.3 U.S. Highway 10/169 Improvement Project; Approve Stipulation of Settlement Agreement for Parcel 13.
- 6.4 Recommended Approval of an LG220 Gambling/Bingo Permit; Women Source/Women's Care Center at Church of St. Stephen on May 19, 2022.
- 6.5 Issuance of a Tree Care/Arborist License; RJH Outdoor Maintenance, LLC.
- 6.6 Acceptance of Resignation from Parks & Recreation Board; Mike Clark.
- 6.7 Acceptance of Resignation from Economic Development Commission; Taylor Ruud.
- 6.8 Recommend Approval of a Temporary On-Sale Liquor License; Church of St. Stephen's Spring Fest on May 21, 2022.

- 6.9 Recommend Approval of an LG220 Gambling/Raffle Permit; Church of St. Stephen's Spring Fest on May 21, 2022.
- 6.10 Acceptance of Resignation from Human Rights Commission; Virginia Louden.
- 6.11 Acceptance of Resignation from Human Rights Commission; Roxy Orcutt.

Vote taken. All ayes. Motion carried.

7. REPORTS OF OFFICERS, BOARDS AND COMMISSIONS

7.1 Planning Commission Items.

None.

8. PETITIONS, REQUESTS AND COMMUNICATION

None.

9. ORDINANCES AND RESOLUTIONS

9.1 RES/Accepting 2021 Donations and Contributions.

RESOLUTION

Finance Director Brenda Springer shared a background report stating Minnesota Statute Section 465.03 requires that municipalities accept all contributions, donations and grants through adoption of a resolution. Annually, the City Council will be presented with a resolution for adoption recognizing and accepting donations and contributions from various contributors for a variety of projects or expenditures, along with the conditions, if any, as established by the contributor.

Councilmember Skogquist asked if he should abstain as he and his family donate to the fireworks fund. City Attorney Scott Baumgartner stated he did not feel a potential conflict of interest existed in this case.

Councilmember Barnett thanked the individuals, families and businesses for their generous donations and said it was important to have visibility for those who are donating.

Motion by Councilmember Wesp seconded by Councilmember Weaver, to adopt a resolution accepting donations received by the City of Anoka in 2021.

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Skogquist, Wesp, and Weaver voted in favor. Motion carried.

9.2 RES/Budget Rollovers and Amendments.

RESOLUTION

Ms. Springer shared a background report stating Council has the authority to revise the 2021 budget by transferring unencumbered appropriations from one office, department or agency to another; by increasing the total appropriations to the extent of actual revenues, by appropriating for unexpected emergency expenses or by carryover for incomplete projects. After reviewing the actual activity for the year ending December 31, 2021 and speaking with department heads, the proposed resolution describes the proposed amendments to the 2021 budget and the 2022 budget respectively. It also impacts the overall budgeted expenditures in 2022. Expenditure budgets in the general fund are being reallocated between departments within the fund. The total budget requested for carry over is \$440,500, and consists of a George Enloe & Highland Park Basketball court line striping, Tree planting, Mississippi Trail reconstruction, Station Park playground, replacement of the wheel chair lift, Valve maintenance of Well 4,6 & 8, Well Rehab/Well 4, Lift station maintenance and Bridge maintenance that did not get completed by the end of 2021, which are requested to be carried over for completion in 2022.

Councilmember Skogquist asked about items we did not budget for but were higher such as the \$179,000 in police crime-free housing earnings. Ms. Springer responded that she would research the adjustment but noted the salaries were likely reflected in another department and was part of a time allocation calculation.

Chief Peterson responded the amount was likely due to a time allocation in this area of the department and not correctly reflected.

Councilmember Barnett clarified the staffing for the department.

Motion by Councilmember Skogquist seconded by Councilmember Barnett, to adopt a resolution authorizing revision of the 2021 budget department and carryover to 2022.

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Skogquist, Wesp, and Weaver voted in favor. Motion carried.

9.3 ORD/U.S. Highway 10/169 Improvements Project; Granting of Final Permanent Roadway Easements for Parcels 22 and 44 and Conveying a Quit Claim Deed for Parcel 45 to Anoka County.

RESOLUTION

Mr. Nelson shared a background report stating on May 21, 2018, the State Bonding Bill was presented to Governor Dayton and on May 30, 2018 for the Local Road Improvement Program (LRIP) Bonding Bill into law. Under Chapter 214, Article 3, Section 8 of the Minnesota Session Laws, there is an appropriation of \$15,000,000 from the bond proceeds account in the State Transportation fund to the Commissioner of

Transportation for a grant to Anoka County for engineering, design, and local construction to support the U.S. Highway 10 improvements in the City of Anoka. On September 1, 2020, Anoka County entered into the Local Road Improvement Program Grant Agreement with the State Minnesota Department of Transportation for right-of-way acquisitions. A requirement from Minnesota Management and Budget (MMB) included the City granting a roadway purpose permanent easement to Anoka County during the acquisition process for all properties acquired with LRIP funds. The roadway purpose permanent easement is the instrument that assures proper use as a public road and ownership of the acquired parcels for the 37 ½ year term. This easement satisfied the requirement for the County to have interest in property. On February 3, 2020, City Council made a motion to approve the Joint Power Agreement (JPA) with Anoka County for Local Road Improvement Program Funds (LRIP). This document satisfied the MMB to allow Anoka County to seek reimbursement of the \$15M LRIP funds and allowed the City to request these funds from Anoka County once the permanent easement and access rights is granted to the County. Page 70 of 166 On October 4, 2021, City Council adopted a resolution granting the final permanent easements for Parcel 5, Parcel 16, Parcel 17, Parcel 20, Parcel 21, Parcel 24, Parcel 25, Parcel 35, and Parcel 39 to Anoka County. He said the granting of roadway purpose permanent easements is the final step before Anoka County can request reimbursement for the City of Anoka. He stated the approximate amount of reimbursement the City will receive from Anoka County is \$650,000 and these funds will be transferred back to the State Aid Fund.

Councilmember Barnett clarified these were State-aid funds that were held and the City was putting back into the project.

Councilmember Skogquist clarified the County was given these funds which now has to be returned to the City. Mr. Nelson agreed, stating because the bonding bill was in the County's name the funds were directed there.

Motion by Councilmember Weaver seconded by Councilmember Skogquist, to adopt a resolution for the U.S. Highway 10/169 Improvement Project; Granting of Final Permanent Easements for Parcels 22 & 44 and Conveying a Quit Claim Deed for Parcel 45 to Anoka County.

Mayor Rice said this action is another example of how complicated this project is and how the City has taken the lead to make it happen and thanked staff for their work.

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Skogquist, Wesp, and Weaver voted in favor. Motion carried.

9.4 ORD/Woodbury House Parking Lease.
(2nd Reading)

ORDINANCE

Mr. Borglund shared a background report stating the City Council at its March 21, 2022 regular meeting conducted a first reading and accepted the proposed parking lease with no concerns. Since that meeting, staff has adjusted the parking stall lease amount from \$207.00 with City maintenance to \$102.00 without City maintenance. This change is consistent with the parking lease at the Aquatic Center and the adopted City fee schedule. Also, the number of leased stalls has increased from 13 stalls to 14 stalls. These changes have resulted in adjustments to the financial calculations as noted. The lease will be adjusted to reflect the proposed changes if approved by the City Council. The ordinance would authorize the City Attorney to adjust the lease agreement. TLK Enterprises LLC is purchasing the property known as the Woodbury House located at 1632 South Ferry Street. Historically, the City of Anoka has allowed the Mad Hatter Restaurant and Tea Room located in the Woodbury House to utilize parking stalls and the trash enclosure for its operations. Because the Woodbury House property is being sold to TLK Enterprises LLC and they have requested the ability to continue to use 13 parking stalls and the dumpster enclosure in the Carpenters Hall parking lot owned by the City of Anoka to accommodate employee parking and overflow parking, staff is suggesting that the City enter into a Parking Lease Agreement with TLK Enterprises LLC.

Councilmember Skogquist clarified the stall fee difference was because of the maintenance responsibilities and plowing. Mr. Borglund confirmed the Kochs would be plowing the lot and cutting the lawn consistent with the aquatic center lease and schools.

Mr. Baumgartner said language built into the lease agreement formulates the responsibilities and costs which then even out overall.

Motion by Councilmember Barnett seconded by Councilmember Wesp, to hold second reading and adopt an ordinance authorizing the conveyance of a real property by lease to TLK Enterprises, LLC, with the proposed adjustments to the draft lease agreement as presented.

Upon a roll call vote: Mayor Rice, Councilmembers Barnett, Skogquist, Wesp, and Weaver voted in favor. Motion carried.

10. UNFINISHED BUSINESS

None.

11. NEW BUSINESS

11.1 City of Anoka Requesting State Legislative Action to Establish Liquor Related Social Districts.

Mr. Borglund shared a background report stating the City of Anoka is working on plans to reconstruct Jackson Street in 2025 and create a "Downtown Entertainment District". In the spirit of creating an entertainment area, a new trend that maybe fitting for this area is the creation of a "Social District". A

“Social District” allows customers who buy an alcoholic drink at an establishment to take the drink and go outside of a building or leave a patio area of a restaurant/bar establishment and drink it in a public area inside of the boundary of the “Social District”. Social Districts are being created in downtown areas in other parts of the country. Because of existing liquor laws in the State of Minnesota, creating a “Social District” would require State of Minnesota Legislature action to amend the State’s Liquor Laws.

Councilmember Weaver said this action would be similar to the food truck festival and boundaries by allowing alcohol in a general area and being a leader in thinking outside the box such as during COVID-19 restrictions with the outdoor seating areas.

Councilmember Barnett confirmed that safety services were supportive of this potential action and that Council would be mindful of the impacts if approved by having small trial dates to gauge impacts as well as being mindful to the taxpayers with any increased costs. Mr. Borglund said the City would have the ability to adopt operational rules on how this activity could occur and that State law creates the ability to navigate the laws within a certain area.

Councilmember Skogquist agreed the action would just allow the City to create the district but that safety services would still be a part of a process to establish first, adding this item was being timed well with the current liquor bill being proposed.

Mayor Rice said if approved this action would provide opportunities for events such as the all-class reunion.

Motion by Councilmember Skogquist seconded by Councilmember Wesp, to support State legislative action to support local liquor districts in the City of Anoka.

Vote taken. All ayes. Motion carried.

12. UPDATES AND REPORTS

12.1 Fourth Quarter Financial Reports.

Ms. Springer shared the City’s fourth quarter financial reports. She detailed the general fund revenue and expenses, enterprise funds, proprietary funds, investment holdings, and said the City continues to plan well into the future. She spoke about work in 2021 that resulted in the Highway 10 reconstruction project momentum and Green Haven Parkway construction.

Councilmember Barnett inquired about the TIF payment of \$750,000. Ms. Springer said she would follow-up on all TIF districts and clarify.

Mayor Rice said the amount was revenue from taxes on the districts and was an increase in the taxable value of properties.

Dr. Evans inquired about money owed to the electric and TIF funds and how the money was paid back. Ms. Springer explained how the City has 20 years to acquire additional tax revenue and that 100% of revenue goes to the district to pay back the debt then explained the internal loan process to finance the project and over time as revenue comes in we pay back the electric fund in the amount of \$8.6 million, typically at 5% interest.

Mayor Rice explained revenue-building businesses which was the purpose of enterprise funds which benefits taxpayers overall. He said it is wise to do and when we borrow and pay interest those funds also assist the taxpayers.

Councilmember Skogquist spoke about the Council's use of funds and when we purchase power we budget for the increase but still have to pay for and pass any excess costs to the consumer. He said they were working to make the funds more stable and not have to use power adjustment but stated items are more expensive now and the City can only cover so much.

Mayor Rice commented on the unpredictability of profit and loss and said enterprise funds were meant to be profitable, adding it is right for our customers to pay for electric use but nice that customers pay less than most competitors in our region.

Councilmember Weaver added that 30% of Anoka's customers are from outside the City which allows for further investment in our community.

12.2 Legislative Updates.

Mr. Lee said this agenda item would allow for the opportunity to discuss any bills of significance or direction from the Council during the legislative session and said there was nothing further to report.

12.2 Tentative Agenda(s).

The Council reviewed the tentative agendas of the upcoming Council meetings.

12.3 Staff and Council Input.

Councilmember Weaver shared his continuing concern with the Franklin School crossing and the hope to identify funds to address this year instead of 2023 as the amount is only \$60,000 overall.

Mayor Rice agreed, stating there will be an increased risk with the current construction because as people clear the construction zone the tendency is to increase speed putting pedestrians at risk.

Public Works Director Mark Anderson agreed but said not funding had been identified to date and that his hope is to apply for next year's grants while continuing to work to identify funding.

Councilmember Barnett suggested using remaining funds from the CARES Act. Ms. Springer said the City is expected to receive almost \$1 million in ARPA funds in 2022 which could be used for this project as well.

ADJOURNMENT

Councilmember Barnett made a motion to adjourn the Regular Council meeting. Councilmember Skogquist seconded the motion.

Vote taken. All ayes. Motion carried.

Time of adjournment: 8:30 p.m.

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

Approval Attestation:

Amy T. Oehlers, City Clerk