

**WORKSESSION OF THE ANOKA CITY COUNCIL  
ANOKA CITY HALL  
CITY COUNCIL WORKSESSION ROOM  
OCTOBER 24, 2016**

**1. CALL TO ORDER**

Mayor Rice called the worksession meeting to order at 5:07 p.m.

**2. ROLL CALL**

Present at roll call: Mayor Rice, Councilmembers Anderson, Freeburg, and Weaver.

Absent: Councilmember Schmidt.

Staff present: City Manager Greg Lee; Deputy Community Development Director Doug Borglund; Police Captain Eric Peterson; Finance Director Lori Yager; Engineering Technician Ben Nelson; Recording Secretary Cathy Sorensen.

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

**3.1 Discussion; Downtown Security/City-wide Activity.**

Police Captain Eric Peterson provided an update related to downtown security and other City-wide activity. He stated since Monday staff continues to do similar patrol with more focus on loitering issues, noting unwanted activity is decreasing but police are still actively working to deter loitering as it can be a potential for crime. Captain Peterson said the upcoming cold weather should help but said they are gearing up for spring and intend to be proactive instead of reactive. He noted the recent Light the Night Parade with larger than ever crowds ended with no criminal activity or arrests; the only event was one lost child who was quickly found. Captain Peterson said the remaining activities include the Grand Day Parade and tent parties that will include volunteers from other agencies to assist. He stated they expect no concerns but will be prepared.

Councilmember Weaver said the efforts have made an amazing difference in the downtown area from three months ago and thanked everyone involved. He said the challenge will continue but that police have a good handle on the situation.

Councilmember Freeburg thanked the Police Chief, Captain, and the department for their work, stating the merchants are very pleased as well.

Mayor Rice said the issue with homelessness and loitering is difficult to address but that people are learning to report right unwanted activity right away which is helping. He noted some of the activity is not vagrancy but just nuisances but that it needs to be reported to continue this trend.

Councilmember Weaver confirmed the 2017 budget allows for continued 24/7 security.

3.2 Discussion; Street Renewal Program (SRP) Assessment Rates.

Engineering Technician Ben Nelson shared the staff report stating in 2015 the assessment rates were increased about 4% and last year the assessment rates were increased about 6% for Street Renewal Program. Prior to that, assessments had not been increased since 2010 but historically rates were increased annually. Mr. Nelson stated increased rates will raise assessments and will increase revenue to the SRP funds which will help support future projects and shared that if no assessment increase is proposed for 2017, next year's SRP projects would be approximately 20% funded by assessments.

Mr. Nelson shared three options for the 2017 assessment rates based on a typical 80' residential lot and said staff is seeking direction from the City Council regarding the proposed assessment rates in 2017.

Councilmember Anderson inquired about last year's rates. Mr. Nelson said they began the season with the goal of spending 19.8% but spent 22.4%, which was still within the overall goal of the SRP of 25%. He said as costs increase we will lag again and suggest a 5% increase in rates.

Council consensus was to increase the assessment rates as proposed; 1% increase overall with sewer and water at 5% and 2.8% for units.

City Manager Greg Lee noted staff will not state that Council has adopted a rate increase but will indicate Council's intent that this is the rate residents will be paying.

Councilmember Weaver said it is important to continue the senior deferment option as it has been very helpful. He said he would also like to see the interest rate be decreased to 4% as interest rates have decreased overall.

Councilmember Freeburg said the rate increase would not result in much savings for a resident and that we need to offer a fair rate and stay ahead without making money. Councilmember Weaver agreed but suggested that other financing options be shared with residents, such as a bank loan, etc.

Mr. Lee said the message staff will share during neighborhood meetings for assessments is that the City is staying consistent with the CPI from previous years while treating everyone equally.

Mayor Rice inquired about drainage from Bonnel Field and potential danger because of all the rain events. Mr. Nelson said he did not believe there would be

any danger of someone getting caught in the system as there are safety grates on the culverts and that the depth is no more than two feet.

### 3.3 Update; Financial Management Plan and Practices.

Finance Director Lori Yager shared a staff report stating in 2012 the City Council approved the Financial Management Plan and Practice. She stated every four to five years this plan should be discussed and updated to keep the information current and relevant with the current City Council goals and objectives. Ms. Yager shared the proposed amendments and said staff is seeking to see if the amendments are still focused in the right direction and if there are additional goals or objectives that should be included. She stated based on input the plan will be brought forward for Council adoption in November or December.

Ms. Yager outlined the biggest changes were with regard to how revenues are made up in governmental funds, due in large part to not having tax increases the past few years. She said staff is recommending no changes to reserves, outlined some growth projection changes, and the biggest change is in enterprise funds and how we are using those funds.

Councilmember Weaver asked if there are changes being made on how transfers occur. Ms. Yager said no, just regarding how descriptions are done. She stated if trends continue as they are today that staff is recommending sales of the liquor stores by 2029. Ms. Yager said the City does not have the funding to remodel the stores as necessary and if they use the profit to remodel then there will be no funds for the park fund, which is the purpose of having the liquor stores. She said staff is working to compress expenses but eventually the stores will start losing money, noting though that they are not losing money yet.

Councilmember Weaver asked why the City recently purchased the adjoining parking lot if staff is recommending future closures. Ms. Yager said it was because staff thought the lot could be used either for additional needed parking or future remodeling space, which could increase sales by 10-15%, similar to what Fridley did with their liquor store. She said due to Highway 10 reconstruction we will eventually lose the west store, adding while sales are still strong we are seeing impacts from Coborn's too.

Mr. Lee explained process for State taking for highway reconstruction and said the west store will not do well once the current highway access is gone.

Councilmember Anderson said we should accelerate the plan to close the stores. Councilmember Weaver agreed, stating closure would open up opportunities for other businesses.

Mr. Lee said liquor store staff is aware of the 2020 Highway 10 access closure and Fair oak and Highway 10 access closure in 2021. He said they have discussed potential relocation suggestions as well.

Mayor Rice said the east store experiences the best revenue but asked if we want to put ourselves in a position of expanding or remodeling or if the days of municipal liquor stores are fading. He agreed we should not wait five years but discuss this now. Ms. Yager agreed, stating if we had the funds to remodel that would be fine but we would have to borrow money.

Councilmember Freeburg said he does not want to deter other businesses from opportunities and that closure could impact downtown businesses, wine tasting tent parties, etc.

Council consensus was to begin the study to close the City's liquor stores.

Ms. Yager said the plan acknowledges the golf course as an amenity and not an enterprise and also recommends transfers from the electric fund to supplement the SRP. She said the golf park maintenance building will have to be funded in the amount of \$2.5 million, which the electric fund is currently supporting because of the failed bonding bill which requested a five-year extension. Ms. Yager said she is recommending funds be allocated in 2020 for the maintenance building which was built in 1992.

Ms. Yager shared how TIF districts are committed to pay for the parking ramp, the HRRD which will pay for the debt and the CRTV amount of \$225,000 with no development yet. She explained that the HRA has \$1.6 million allocated but will be decertified in 2017 and that no changes are being recommended regarding debt management and investments. She stated the proposed amendments to the financial plan will be brought forward in November for formal adoption.

### 3.4 Development Update.

Deputy Community Development Director Doug Borglund provided a PowerPoint of current development activities in Anoka. He noted the current and proposed developments have resulted in changing the character of the City in many ways while adding value.

- Development 9: North Street and 11<sup>th</sup> Avenue - future wellness center for spring 2017 build
- Development 10: 11<sup>th</sup> Avenue – 30 one-level detached ownership townhomes; spring 2017 build
- Development 20: west side of Green Haven near Highland Park and Garfield Street; 46 ownership townhomes for 2017 build

- Development 17: east side of Green Haven on State Street - 7 ownership townhome units on 4<sup>th</sup> hole; 2017 build with golf community and potential use of golf carts on streets
- Development 12: 2<sup>nd</sup> and Monroe near downtown - HRA site; 29 three-story urban row house style—owner occupied for 2017 spring build

Mr. Borglund noted the HRA would like to see townhomes on this site and that they are still in discussions with the school district regarding parking. Council held discussion on potential parking solutions, stating there are 40-50 stalls available in Walker that no one is using. Council consensus was that more parking will be needed for this project and must be addressed; suggestion shared to reduce price of lots to provide for more parking.

- Site 8: 7<sup>th</sup> Avenue and Buchanan Street - TOD, mixed use/residential/retail/office for potential Kwik Trip; use would require code amended to allow use. Council consensus was to move forward with proposed code amendment to allow for Kwik Trip to construct; site plan review to include need for sidewalk for foot traffic
- Site 2: Rum River and 4<sup>th</sup> Avenue – concept plan by Lennar for owner occupied condos or townhomes but they are currently focused on Monroe Street sites. Council suggested buckthorn clean-up now during the interim period
- Site 3: 4<sup>th</sup> Avenue and Johnson Street – TOD, apartments or rowhomes, open to market rate apartments, working with someone now and will keep Council updated
- Site 18: Highway 10 and Green Haven Road – currently zoned single family for residential/medical/office; need to relocate existing maintenance facility. Hart Development may be interested but still working on current project. Consensus was not to have senior rental but owner-occupied building as this is a valuable site

Mr. Borglund shared an update on the Vista Outdoor, Inc. expansion and timeline, including the need for a lease agreement, development agreement, and foundation permit to start construction. He said there has been no title work yet but staff did issue a right-of-entry agreement to begin some work. Mr. Borglund said they intend to include this item with the special election canvass meeting on November 15 once confirmed with City Clerk Amy Oehlers.

#### **4. OTHER BUSINESS**

##### **4.1 Staff Update.**

None.

**5. COUNCILMEMBERS COMMENTS**

None.

**6. ADJOURNMENT**

Mayor Rice adjourned the Regular Worksession meeting at 7:05 p.m.

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

Approval Attestation:

Amy T. Oehlers, City Clerk