

**REGULAR MEETING OF THE ANOKA CITY COUNCIL
ANOKA CITY HALL
CITY COUNCIL CHAMBERS
APRIL 4, 2016**

1. CALL TO ORDER

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

2. ROLL CALL

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

Staff present: City Manager Greg Lee; Finance Director Lori Yager; Housing Manager Darin Berger; Electric Utility Director Dan Voss; City Attorney Scott Baumgartner; and Recording Secretary Cathy Sorensen.

Absent at roll call: None.

3. COUNCIL MINUTES

- 3.1 Minutes of March 21, 2016, Worksession.
Minutes of March 21, 2016, Regular Meeting.

Motion by Councilmember Schmidt, seconded by Councilmember Weaver, to waive the reading and approve the March 21, 2016 Worksession and the March 21, 2016, Regular Meeting minutes.

Vote taken. All ayes. Motion carried.

4. OPEN FORUM

- 4.1 USPS First Day of Issue and Unveiling Event of Jack O'Lanterns Forever Stamps.

Heritage Preservation Commissioner Bart Ward shared background information announcing the U.S. Postal Service (USPS) First Day of Issue and Unveiling event of the Jack O'Lanterns Forever Stamps. He provided more information about the event, stating the USPS would be issuing its first ever Halloween-themed postage stamps in 2016. Mr. Ward stated with the help from Anoka Postmaster Dan Stark, City staff, the Anoka Area Chamber of Commerce, Anoka Business & Landowners Association, Anoka County Historical Society, and Anoka Halloween, Inc., enough information was gathered and delivered to officials in Washington, DC to initiate their interest.

John Freeburg, Anoka, said the event will take place on Thursday, September 29, 2016 in City Hall Plaza (or Green Haven in case of inclement weather) beginning at 11 a.m., and will include the unveiling of all four stamps as well as other events. He noted this is a very special event as no other area city has been named as the unveiling city. Mr. Freeburg said since most unveilings occur in Washington D.C., New York, or Philadelphia so this event will draw attendance from the USPS.

Councilmember Anderson asked if the stamps can be acquired ahead of the issuance date. Mr. Freeburg said the stamps can only be acquired on the date of issuance.

Councilmember Weaver applauded Mr. Ward, Mr. Freeburg and others who worked to bring this event to the City of Anoka. He said they should be commended.

Councilmember Freeburg thanked Mr. Freeburg for all his work.

4.2 Barbara Steenberg; Relating to the Parking Lot/Grounds at The Mad Hatter, 1632 S. Ferry Street.

Barbara Steenberg said she contacted City Hall to request being formally placed on the Council agenda to speak under Open Forum regarding concerns about the parking lot and grounds at The Mad Hatter. She shared that her husband sustained an injury on that property last February and a claim related to this occurrence has been filed with the League of Minnesota Cities. Mrs. Steenberg said her presence at this meeting is to convey her concerns about the parking lot and grounds at this location and to ensure that the City is aware that this accident has affected real people. She said she feels it is not right to be disregarded by both insurance agencies with regard to the landscaping area where Mr. Steenberg fell and broke his arm. Mrs. Steenberg said she disagreed with the insurance agencies' statement that there have been no other instances of concern and that the area is free of defects and not a likely hazard. She said she has filed a data request with the City requesting City code for parking lot construction and slope and asked what constitutes a hazard. Mrs. Steenberg referred to an individual using good judgment and caution and that they understood there was snow in the area but questioned the part regarding an unimproved area. She said he hopes there would be some type of fencing, shrubs or raised course of boulders to help prevent this occurring in the future and referred to possible legal counsel as she was incensed that they were being treated as irresponsible.

City Attorney Scott Baumgartner said the League of Minnesota Cities (LMC) has completed their review and is denying the claim, stating they have their own protocol and are in charge of their investigations. He said it appears that Mrs. Steenberg has some questions pertaining to the letter from the LMC and suggested she direct her questions back to the LMC.

Mrs. Steenberg asked if the LMC has to respond to her questions. Mr. Baumgartner said he is unsure and suggested contacting her attorney for advice but noted the LMC is usually more cooperative than not.

Mr. Baumgartner said he reviewed Mrs. Steenberg's Minnesota Data Practices Act request for information, adding the Act can be very confusing with regard to public and private data. He said the request was for certain portions of the code that may or may not be applicable to this instance so he contacted Mr. O'Reilly at the LMC to inquire about the City's responsibility to provide information as part of a claim with the potential for litigation. He said Mr. O'Reilly stated that since the code is available on the City's website links were provided to Mrs. Steenberg to both the City code and building code. Mr. Baumgartner noted the City does not have to determine what to compile for a requestor.

Mrs. Steenberg said a photograph was shared with staff as part of the data practices request but said she will review the request again. She said whether the City is legally bound or not something needs to be done to the parking lot because 95% of slip/falls are ruled against the victim and it may not make sense to pursue this legally. She said she had hoped they would be treated fairly but noted there is still time to do this right and correct the problem.

- 4.3 Heritage Preservation Commissioner Barbara Thurston shared information on the upcoming Home and Garden tour that highlights all historic neighborhoods and encouraged homeowners to be part of the tour. She said 314 Monroe Street will be highlighted and added a raffle for a dinner by Cork will be offered. Commissioner Thurston said tickets will be pre-sold at Riverfest July 10 from 1-5pm and volunteers are needed to help host or to sponsor. She said this is the only fundraiser the HPC conducts as the City does not fund them and the goal is to pay for signs for the nine historic districts that include backgrounds on naming of these historic neighborhoods.

5. PUBLIC HEARING(S)

- 5.1 Parallel Generation Electric Rates.
RES/Approving Parallel Generation Electric Rates for 2016.
RESOLUTION

Electric Utility Director Dan Voss shared a staff report with background information to the Council the revised Schedule PG (Parallel Generation) Rate Schedule for 2016 along with how the rate was calculated based on 2015 actual sales in accordance with the Minnesota Public Utilities Commission. This schedule is available to all customers who have qualified small production generators connected to the City of Anoka's electric facilities. Mr. Voss noted we have two customers, Bauer's Berry Farm and Susan Merriweather, tied into our systems.

Mayor Rice opened the public hearing at 7:38 p.m.

Being no comments Mayor Rice closed the public hearing at 7:38 p.m.

NOTE: By motion from Councilmember Freeburg, which was seconded by Councilmember Schmidt, and by a unanimous vote of the Council, agenda item 9.1 was moved up on the agenda and acted upon at this point.

Motion by Councilmember Schmidt, seconded by Councilmember Weaver, to adopt a resolution approving parallel generation rate and street light rate for 2016.

Upon a roll call vote: Mayor Rice, Councilmembers Anderson, Freeburg, Schmidt, and Weaver voted in favor. Motion carried.

6. CONSENT AGENDA

Motion by Councilmember Freeburg, seconded by Councilmember Anderson, to approve Consent Agenda 6.1 through 6.3.

6.1 Approved Verified Bills.

6.2 Revising and Setting Council Calendars.

6.3 Cancellation of Liquor Licenses for Legal Grounds, Inc., dba; River City Saloon (Change in Ownership).

Vote taken. All ayes. Motion carried.

Councilmember Schmidt highlighted the Board and Commissioner appreciation event on April 14 at Green Haven and the Local Board of Appeal and Equalization on April 18. p.m.

7. REPORTS OF OFFICERS, BOARDS AND COMMITTEES

None.

8. PETITIONS, REQUESTS AND COMMUNICATION

None.

9. ORDINANCES AND RESOLUTIONS

9.1 RES/Approving Parallel Generation Electric Rates for 2016.

ACTED UPON AFTER PUBLIC HEARING

9.2 RES/Award Sale of Bonds; G.O. Public Facility Crossover Refunding Bond Sale.
RESOLUTION

Finance Director Lori Yager shared a staff report with background information to the Council stating the first and second readings for this item were held on March 7 and March 21, 2016. Shelly Eldridge with Ehlers and Associates reviewed details of the sale results for the G.O. Public Facility Crossover Refunding Bonds, Series 2016. The current G. O. Public Facility bonds are callable on February 1, 2017. The average coupon interest rate for the remaining debt is over 3.9%. The 2016A G.O. Public Facility Crossover Refunding Bond proceeds will pay for the existing debt from the bonds issued for improvements to the Green Haven Event Center and the Golf Course in 2008 and the costs of the issuance of the new debt.

Ms. Eldridge said they took bids earlier in the day and complimented staff for their work, adding the City was affirmed their AA2 rating. She said they received six bids from across the nation and the winning bid was United Bankers Bank of Minneapolis at \$1,539,400 for 11 years. Ms. Eldridge said they estimated 1.92 or 25% lower than anticipated, which means in cash flow the City would save \$131,000 over the remaining life of bonds but now is saving \$181,000. She noted they are lowering par rates and are receiving a premium bid totaling \$53,000, which results in a savings of almost 10%.

Motion by Councilmember Schmidt, seconded by Councilmember Freeburg, to adopt a resolution awarding the sale of \$1,510,000 general obligation public facilities refunding bonds, Series 2016A; fixing their form and specifications; directing their execution and delivery; and providing for their payment.

Upon a roll call vote: Mayor Rice, Councilmembers Anderson, Freeburg, Schmidt, and Weaver voted in favor. Motion carried.

9.3 RES/Approving 2016 Street Maintenance Project; Through the Joint Powers Agreement with the City of Coon Rapids.
RESOLUTION

City Manager Greg Lee shared a staff report with background information to the Council stating in 2004, the cities of Coon Rapids, Andover, Brooklyn Center, Columbia Heights and Fridley joined together to solicit bids for street maintenance services. The Joint Powers Agreement was amended in 2006, 2008, 2010, and 2011 when Ham Lake, East Bethel, Anoka, and Mahtomedi joined the group. In 2015, the Sixth Amendment was authorized to allow the opting out period to 30 days for the Street Maintenance Project. In 2016 the City of Anoka will be crack sealing and seal coating residential streets in the neighborhoods east of 5th Avenue and south of East River Road. The seal coating protects the existing asphalt surface from deteriorating and helps extend the pavement life.

Mr. Lee shared the complete bid tabulation and the street maintenance work the City of Anoka is planning on performing includes crack sealing and seal coating.

Councilmember Freeburg inquired about plans for 9th Avenue. Mr. Lee said 9th Avenue is a higher volume street that can bleed through so they may do a microseal instead where they seal over a paved surface that does not involve aggregate like chip seal.

Mayor Rice said this is typical to spreading asphalt and covering it with light gravel and allowing traffic to drive over the street and pack the asphalt down. He noted the areas that will be done just as a microseal.

Motion by Councilmember Weaver, seconded by Councilmember Freeburg, to adopt a resolution approving 2016 Street Maintenance Project through the Joint Powers Agreement with the City of Coon Rapids.

Councilmember Schmidt asked about the bid for the entire project. Mr. Lee said the bid is based on the number of streets and totals \$105,000, noting our budget is typically \$100,000.

Ms. Yager noted they have some carry over from last year in addition to the \$150,000 budgeted for this year so they have funds for additional projects.

Mayor Rice said the City street crews do this type of work as well. Mr. Lee agreed but said typically not on projects of this level and size, especially with lane closures.

Councilmember Freeburg said there are lots of cracks on new road at 2nd Avenue. Mr. Lee said staff will review and update Council.

Councilmember Weaver said there have been some serious frost heaving that has occurred in some City streets.

Upon a roll call vote: Mayor Rice, Councilmembers Anderson, Freeburg, Schmidt, and Weaver voted in favor. Motion carried.

9.4 ORD/Second Amendment to Purchase Agreement; Hearth Development I, LLC.
(1st Reading)

Housing Manager Darin Berger shared a staff report with background information to the Council stating on February 2, 2015, the City of Anoka and Hearth Development entered into a purchase agreement for 1.57 acres of land at the southeast corner of 2nd Avenue and Harrison Street. Hearth Development wishes to build the Gladstone Cooperative, a 59-unit senior cooperative on that site. The purchase agreement outlined a date of closing of August 31, 2015. Hearth Development has been actively marketing the building, however, had not reached

the necessary amount of reservations to be able to proceed with purchase of the property. Therefore, back on September 8, 2015, the developer asked to extend the closing date to March 1, 2016 to allow sufficient time to obtain the necessary amount of reservations to receive financing. Since then, they have been working through the financing process with HUD, which has taken more time than expected. At this point, Hearth Development would like to push the closing date back to on or before June 1, 2016.

Mr. Berger shared the other amendments including changing the broker information from Cassidy Turley Commercial, Midwest, to Welsh/Colliers and DTZ and changing the entity name from Hearth Development I, LLC to Hearth Development, LLC, per their request.

Heather Harstad, Hearth Development, provided an overall project update including marketing efforts and reservation numbers. She said they are asking for a June 1 extension in order to complete all HUD required documents. She said they hope to break ground soon as they have 25 reservations, which have dropped off some so hopefully once people can see the project they can more easily select a unit. Ms. Harstad said they are approximately one month out on building plans.

Councilmember Schmidt asked if they need more than 25 units for the project to happen. Ms. Harstad said they initially needed 70% of the total units but they HUD liked the project so much they were able to skip the pre-application process. She said they still need full construction plans and have the budgets, contractors, and management agreements in place and that this is the last step. She said they are not so dependent and have demonstrated a large interest in the community.

Councilmember Freeburg asked if this project is one level shorter than projected. Ms. Harstad said it is, adding they will have 43 units instead of 59 as originally projected.

Councilmember Freeburg said he is excited to see this project happen and that activity will help with the marketing.

Motion by Councilmember Freeburg, seconded by Councilmember Anderson, to hold first reading of an ordinance an ordinance approving second amendment to purchase agreement with Hearth Development, LLC.

Mayor Rice said he is looking forward to this exciting project.

Upon a roll call vote: Mayor Rice, Councilmembers Anderson, Freeburg, and Schmidt voted in favor. Councilmember Weaver abstained. Motion carried.

10. UNFINISHED BUSINESS

None.

11. NEW BUSINESS

None.

12. UPDATES AND REPORTS

12.1 Tentative Agenda(s).

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

12.2 Staff and Council Input.

Mr. Lee gave a City Hall parking lot update, stating the barricades are in and City crews have completed the removal to save money. He said the construction will be done by a contractor and be completed by July 1 in time for Riverfest. He asked for the public's patience during construction.

Councilmember Anderson asked where everyone is parking during construction. Mr. Lee said people have been directed to park on the top level of the parking ramp.

Councilmember Weaver asked about the price difference in parking permits. Ms. Yager said the price point is no longer offered at a discount and was only for those parking in the dirt area of the lot, adding the fee is now \$12-\$13 for hard surface. She noted there are 53 stalls on the top level of the ramp, 11 of which are being used by City staff.

Mayor Rice inquired about the County's ramp pricing. Ms. Yager said their pricing is about the same but they have mostly covered parking which the City charges \$24-\$27 for covered parking.

Mr. Lee said the MnDOT feasibility study for the grade separation project at Ferry Street will be completed by August 2015 and will continue on to the design phase.

Councilmember Anderson inquired about the Hanson Boulevard grade separation project in Coon Rapids and suggested reviewing their plans. Mr. Lee said MnDOT was involved in that project too and noted this one is fairly unique and difficult. He said they have not ruled out an underpass yet and are still reviewing all options.

13. ADJOURNMENT

Councilmember Freeburg made a motion to adjourn the Regular Council meeting. Councilmember Schmidt seconded the motion.

Vote taken. All ayes. Motion carried.

Time of adjournment: 8:07 p.m.

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

Approval Attestation:

Amy T. Oehlers, City Clerk