

**WORKSESSION OF THE ANOKA CITY COUNCIL
ANOKA CITY HALL
CITY COUNCIL WORKSESSION ROOM
MAY 23, 2016**

1. CALL TO ORDER

Mayor Rice called the worksession meeting to order at 5:03 p.m.

2. ROLL CALL

Present at roll call: Mayor Pro Tem Weaver, Councilmembers Anderson, Freeburg, Schmidt.

Absent: Mayor Rice.

Staff present: City Manager Greg Lee; Finance Director Lori Yager; Recreation Supervisor Lisa LaCasse, Public Works Superintendent Mark Anderson; Recording Secretary Cathy Sorensen.

3. COUNCIL BUSINESS and/or DISCUSSION ITEMS

3.1 Discussion; Equipment Replacement Plan (ERP).

City Manager Greg Lee shared the staff report stating that annually the Council and staff review the five-year equipment replacement plan prior to adoption. He said staff is looking for Council input for changes, additions, and deletions to the proposed plan.

Finance Director Lori Yager outlined the proposed ERP.

Councilmember Weaver asked if the requested items are needs versus wants. Ms. Yager said staff reviewed and identified needs of items such as the portable generator from the Electric Fund. Public Works Superintendent Mark Anderson said the current generator is 27 years old but noted life expectancy depends on the number of hours used.

Councilmember Weaver said Green Haven is requesting a rough mower and asked if this is a need or a want. Council held discussion on potential staff shortages and how the equipment will be used if purchased.

Mr. Anderson said the hydraulics are worn so the equipment will no longer safely climb a hill, adding the 1600 John Deere mower is from the Parks Department because it could no longer be used there in the parks and that was 7-8 years ago.

Councilmember Weaver complimented staff on how well the golf course looks.

Ms. Yager referred to the request for three police squads, noting they run 24/7 and that Police Chief Phil Johansen feels strong about their replacement. She said he understands while the squads have low miles they operate all the time, adding these vehicles will either go to auction or be replacement vehicles for other departments.

Councilmember Schmidt referred to the asset management software versus knowing the current equipment. Mr. Lee said staff is using this software but is doing so first with the sewer/water equipment.

Ms. Yager referred to the 24-foot trailer for Public Services for \$12,000. Mr. Anderson said this trailer hauls snow blowers and lawn mowers and allows for hauling two units. He noted the current trailer is 15 years old and that staff is proposing to purchase an aluminum trailer this time.

Councilmember Weaver asked if the trailer is front and rear load or both. Mr. Anderson said this trailer only has a ramp on the back so equipment use has to be considered.

Ms. Yager referred to the police forfeiture truck and equipment for new staff.

Councilmember Schmidt verified that three squads are being requested.

Ms. Yager said the zero turn mower can be removed from the ERP as it can be expensed as part of the equipment cost. Mr. Anderson said the zero turns run eight hours per day and will be at the cemetery.

Ms. Yager referred to the purchase of an aerator. Mr. Anderson explained this piece of equipment uses knife-like metal and shakes to aerate the City's parks and golf course.

Mr. Anderson referred to the MT Trackless equipment for use on the City's sidewalks. He explained the V-plow and blower and staff's attempts to get this back on the schedule.

Councilmember Freeburg asked if staff researches price quotes. Mr. Anderson said they purchase equipment on a State bid contract which includes parts that are interchangeable and have similarity of equipment. He noted while the price may seem high the last piece lasted 10 years which is good considering it bounces down sidewalks which decreases its life span.

Councilmember Weaver asked if this piece is used other than wintertime. Mr. Anderson said they make a mower attachment but it weighs 7,500 pounds and does not do well with turf and is unstable on unlevel ground.

Mr. Lee said the City does contract for Kings Island maintenance and uses the boom mower for the trail. Mr. Anderson agreed stating the unit is not very good on attachments.

Ms. Yager said they intend to increase annual costs to other departments by \$60,000-\$70,000 per year to cover the increased costs, adding the internal service fund was \$1.75 million and is now \$100,000 so they could either charge out the entire cost or try to build it up again.

Ms. Yager explained how the current pick-up truck and snow plow is very rusty and needs to be replaced because the floorboards are gone under the driver's seat. She said moving forward they will install mud flaps and use Weathertek floor mats to help with the salt accumulation, adding any new Public Works building will have an undercarriage wash to help remove salt. She reviewed the current two trucks, stating the one-ton Chevrolet is 16 years old and has had the box redone box and painted and has 88,000 miles. She said this piece will go to auction for resale.

Councilmember Weaver asked about the resale. Ms. Yager said the resale budget for equipment is calculated and goes back into the same fund.

Mr. Anderson said staff estimates receiving \$5,000 for this truck on resale.

Ms. Yager said staff is estimating \$225,000 to replace the dual tandem plow truck which has a plow and wing as it had a catastrophic failure on Highway 10 earlier this year. She said this is a 2001 piece of equipment that was pushed back but after this failure needs to replace.

Mr. Lee said the goal is to use equipment between the maximum service levels before failures such as this occur.

Mr. Anderson said they will not recoup the cost to replace the differential and estimates trade-in at \$20,000.

Ms. Yager referred to the proposed air compressor purchase and said the majority of which will come from the garage fund which impacts the levy.

Councilmember Schmidt suggested this purchase come from the sewer fund.

Mr. Anderson said staff considers all options and how we can postpone purchase and referred to two single-axel dump trucks from 1996 that they keep using and have sandblasted and painted as the \$1,800 investment bought them more time. He said the Vactor truck water tanks split wide open and which they had to fix to get some value at auction.

Councilmember Weaver asked if camera improvements are capital. Ms. Yager said they did not do anything additional and the estimate is now \$125,000.

Mr. Anderson asked if they need to do CIP for cameras. Mr. Lee said there will be a budget line item for this purchase as they do not want to piecemeal the system because they want to have a comprehensive plan.

Ms. Yager said this purchase is not new so there will be a budget item. She said this outline shows the plan and at budget time will be there if we can really afford to purchase the system and have a plan on how to pay but generally speaking these purchases comes from the general fund.

Councilmember Weaver noted the ERP is subject to change and current budget amounts.

Councilmember Freeburg asked if this plan is higher than normal. Ms. Yager said it is, adding the ERP was reduced from 2008 and that the City is still playing catch up.

Mr. Anderson said equipment is more expensive now because of new technologies.

Councilmember Schmidt said a city cannot get along without these proposed items.

3.2 Discussion; Capital Improvement Plan (CIP).

Mr. Lee shared the staff report stating that annually the Council and staff review the five-year capital improvement plan prior to adoption. He said staff is looking for Council input for changes, additions, and deletions to the proposed plan.

Ms. Yager reviewed the proposed CIP and asked Council to look at the big picture. She said it is broken down by funding source and is at \$4.5 million over next five years, noting the majority is for the Green Haven maintenance building of \$3 million. Ms. Yager said this precipitated to make room for redevelopment and noted the Legislature passed the City's TIF request so we have until 2020 to spend any increment we earn out of the Greens of Anoka in order to build the second phase we need for the increment. She noted the State will not pay for the backage road besides the Health Partners Clinic site.

Councilmember Weaver said he wants to make sure we wait for the development we want. Mr. Lee said the plan is to have construction plans ready so when a developer comes forward we are ready, adding there is some interest now so that is why staff is proposing plans for 2017.

Councilmember Freeburg inquired about the proposed townhomes along the golf course. Ms. Yager said there are vacant spots west of Highland Park, including the tower site.

Councilmember Weaver referred to the current park building. Ms. Yager said it is up to Council but noted Chief Johansen wants this because the current dog pound is in rough shape. She said she recommends paying for this through the Electric Funds and noted we need the increment to pay for the road. She said we could either use the Electric Fund or issue debt but noted the funds have to be spent on public improvements and infrastructure.

Ms. Yager referred to rebuilding the proposed distribution lines for the new Public Services relocation in 2021. She said the General Fund has \$2 million coming out over the next five years, adding the County contribution on Grant/7th Avenue is \$165,000. She said the existing signal does not agree with the policy and that she is not sure what we can do and the policy works for cities that need a signal but the existing policy does not work because we pay 80% and only one leg will be coming in so it should be 25%.

Councilmember Weaver asked when the building is being proposed. Ms. Yager said it is only proposed if development comes forward and is currently being used as a placeholder in the CIP because they have to identify funding sources.

Councilmember Schmidt said he does not want to see too much pivoting around the dog pound. Councilmember Weaver agreed.

Mr. Lee agreed saying the dog pound cannot trigger decisions. Councilmember Schmidt said this area should be revisited because he does not wish to construct a new dog pound.

Ms. Yager said the service will be less and will take longer to deal with so we need to weigh how much the dog pound will cost versus how long it will be used.

Mr. Anderson said all functions can occur until the right development comes along.

Mr. Lee said he will investigate the real need for the dog pound.

Councilmember Schmidt asked if the golf maintenance building pivots around development. Mr. Lee said that is correct stating they want development so there is no need for the building unless that occurs, adding the same process is being used for the electric public services building.

Councilmember Schmidt asked how much has been invested. Mr. Lee said they invested eight-percent and Ms. Yager said this is 2025 money so it will likely be \$15 million with \$1 million for plans and \$200,000 for golf course building plans.

Ms. Yager said the estimate is good for five years but not as long for the actual construction plans.

Mr. Anderson said the documents will be complete including colors and will only requiring tweaking when the time comes.

Mr. Lee said staff has no intent to build anything ahead of time as that would not be a good move.

Ms. Yager referred to the liquor store and the proposed purchase of the site next door. Mr. Lee said they have accepted the offer of \$250,000 and are now waiting for the purchase agreement. He said the Phase I environmental work has been done and while there are no tanks there was a hydraulic lift the former auto shop and can be removed for a cost.

Ms. Yager said staff has budgeted for \$1 million in case we want to expand the east liquor store but noted we really need to look at benefit to do all this because if we have to issue debt we will not be contributing to the parks and the profits will go to pay debt service. She said it is possible someone else can operate the liquor stores more efficiently and the City receives the property taxes instead.

Councilmember Schmidt asked about the lower contribution this year. Ms. Yager said that is correct, stating it is based on future renovations for the east store. She said they are building a reserve and noted the State will give us some money for Highway 10 but that while we need visibility we do not need direct access.

Ms. Yager said the park capital funding sources are liquor proceeds and the General Fund and said we want to transfer from the water and sewer funds so there will be no funding source unless we issue debt.

Councilmember Weaver noted we have \$130,000 worth of equipment. Ms. Yager agreed but said there will be large projects in 2020 and 2021.

Councilmember Weaver asked if the canoe launch on Rum River Drive gets used. Recreation Supervisor Lisa LaCasse said it does but noted it is but said it is becoming dangerous as it deteriorates rapidly and cannot be removed because of DNR funding but needs to be reengineered. She referred to the recent request for portable restrooms so it is used.

Ms. Yager reviewed the proposed engineering projects and projected cash flow for the CIP, explaining the land sale by the VOA on the other side by the river.

Councilmember Weaver asked if we have a buyer. Ms. Yager said not at this time and said it will only be triggered by development but noted the bathrooms are not ADA compliant and the plumbing needs work which will result in stall count reduction and additional tile work.

Councilmember Schmidt noted fewer women facilities will affect banquet areas.

Ms. Yager referred to the exterior seal of City Hall which protects the masonry and sandstone and the proposed carpet replacement at Green Haven because Lancer says they lose banquets because of the carpet condition.

Councilmember held discussion on the Lancer contract and food availability during golf and potential options to retain people during golfing. Consensus was to hold a future worksession item on this topic.

Ms. Yager reviewed the parks for the CRTV dredging of the lagoon and not the parking lot, Phase I, docks, launch area and eventual playground.

Councilmember Weaver asked if these are park improvements and if we should wait for development. Ms. LaCasse said we have already received this for the VOA so we have an obligation to do something here, adding 2017 would be dredging for a handicap launch. She said we have conservation easements to address buckthorn removal.

Mr. Lee said these are low cost items that add value and then can maximize what we want on the west side of 4th Avenue.

Councilmember Weaver said the Ramsey boat ramp is not being used but has a steady stream of kayak boats present. He said we have the same potential here and adding a trestle is very unique which will become a nice feature.

Mr. Lee Anoka said the Station Park could be an attraction for canoes and someone could operate a business for trips down the Rum River.

Ms. LaCasse said there is planning for a 12-stall parking lot that could accommodate trailers, etc.

Councilmember Weaver shared how bikers use the train to get to the to MRT.

Ms. Yager referred to corrections on the trailway on the west side over 4th Avenue. Mr. Lee said we need a trailway grant up to \$100,000 and staff is going to lay this out and identify easements and apply. He said the expensive part is \$104,000 for crossing arms.

Park Commissioner Joe Anderle said the area is a little shallow on that side of the river.

Ms. Yager said Enlow Park playground is \$75,000. Ms. LaCasse said they intend to have one large playground instead of two smaller playgrounds.

Councilmember Schmidt referred to Comcast cable connections. Mr. Lee said staff is reviewing this with Legal and said while they can hire someone to address the concern they do not want to because we need to have something in place, adding we cannot delay public improvement projects because this is the second year already.

Ms. Yager discussed the Garfield Station and additional circuits and said staff will provide more detail at budget time, noting it is planned all for 2017, 2018, and 2019 at \$550,000 per year. Councilmember Schmidt said the amounts have to match with the CRTV.

Mr. Le said Green Haven Parkway Phase II will only occur if redevelopment occurs but for 2017 staff is using \$850,000 for planning purposes.

Ms. Yager reviewed the South Ferry Street project to remove blight, change use and increase tax base. Discussion was held on back fill if the wall is working as a retaining wall. Mr. Anderson said they need to leave the wall and back fill as it provides bank stabilization.

Ms. Yager reviewed the CRTV to prepare a block next to the Northstar Station, including Greens of Anoka demo of maintenance facility, engineering for CRTV, the \$710,000 grant for Greens of Anoka Phase I, and the south frontage road Phase I through the new Eaglebrook Church property in 2018. She said the maximum grant is \$730,000 and is coming but noted there is no funding source for the remaining amount but that staff will look to MnDOT to help with some of these projects.

Ms. Yager explained the General Fund will have to fund the aquatic center as there is no more money left in that capital fund. Ms. LaCasse explained that in 1998 and 1999 there was extensive revenue because the center was a novelty then and there was no other competition and while they still have a consistent draw they cannot continue as is without raising fees which could result in losing people.

Councilmember Weaver asked if we can change the business plan. Ms. LaCasse said not without raising fees and noted we draw families with small children and those who could bike to the center which is a niche market.

Commissioner Anderle said the old pool did not make any money but the intent was to teach swimming which has always been the Park Board's direction. He said we generate enough to help costs low but said it is still a cost center.

Councilmember Schmidt said he is not viewing this as a profit center but would like to see the lowest deficient while keeping the investments modest.

Councilmember Weaver said they may have to increase wages and training to get past staff to return each year. Ms. LaCasse said they hire 36 lifeguards and have a staff over 40 which is double then in the past.

Councilmember Weaver said the Council is extremely proud of what the aquatic center does.

Ms. Yager referred to Enlow Park playground, West Rum River Trail, stone house restoration, Pen Point Park riverboat improvements, Brisbin irrigation, replacement street signs, and increasing trunk sanitary sewer capacity.

Councilmember Schmidt asked if there is any benefit for the potential armory relocation. Mr. Lee said yes, adding it is not a high water volume but could be another piece past that triggers the point; stating he is not sure if the armory could still come in but said it depends on water uses.

Councilmember Schmidt inquired about bonds. Ms. Yager said there are no sewer bonds but there could be water bonds next year as we need a new well or two. She said the June meeting will include a resolution to allow \$1.8 million in storm water revenue bonds and the infrastructure with the SRP and should really be paying for those improvements and paid back over 20 years. She said we could increase fees 4% every year which will help keep the SRP funded.

Councilmember Weaver asked if we charge interest when borrowing internally. Ms. Yager said we do which can be used in other areas, adding this is not a levy as a storm water fund.

Councilmember Schmidt said this is a guaranteed revenue source and should be a substantial decrease in interest rates.

Ms. Yager said staff is postponing Goodrich Field until 2018, including the southeast trunk storm sewer improvements and street renewal fund, stating they doubled up on to get this going and is continuing into 2018 with transfers from the Electric Fund and storm sewer bonding.

Councilmember Schmidt said the Christian Hill project in 2017 is identified as a Council priority as well as the SRP projects on Adams, Brisbin, Washington, and 10th Avenue at \$1.7 million. He said Christian Hill is an extra \$4 million and that Swede Town will be done in 2018 too.

Ms. Yager explained issuing water revenue bonds in 2019 and sewer revenue bonds in 2017 if we do the lift station upgrades and noted there will be bonds four years in a row instead of borrowing from the Electric Fund.

Councilmember Freeburg said if we do not do this we will no catch up, adding all is paid for through water/storm water funds but not through rate increases each year.

Councilmember Weaver said we do not want to get too expensive. Ms. Yager said we will not get too expensive for water and noted while sewer could get a little higher the total will never be that high.

Councilmember Schmidt noted as GO bonds this does reduce our borrowing capacity.

Commissioner Anderle inquired about the riverboat business. Ms. Yager said this is only used as a placeholder in the General Fund but can go away.

Mr. Lee said the EDC sent a proposal once regarding operating a riverboat business, making it clear it would be a public shared facility. He said we are no spending \$140,000 for a study to see if it's feasible and is included in the 2017 budget as a placeholder. He noted the park will never be taken over for a business.

Councilmember Weaver said nothing will be spent unless there is something that is happening.

Commissioner Anderle said he is campaigning about the need for additional restrooms. He noted these are light inside and clean but wants people to come to Anoka which involves the need for more public restrooms when shopping, etc. and should be something we offer.

Councilmember Schmidt said John Ward Park is scheduled to be rebuilt in 2018.

There was no Staff Update.

There were no Councilmember Comments.

4. ADJOURNMENT

Mayor Pro Tem Weaver adjourned the Regular Worksession meeting at 7:12 p.m.

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

Approval Attestation:

Amy T. Oehlers, City Clerk