

**REGULAR MEETING OF THE ANOKA CITY COUNCIL
ANOKA CITY HALL
CITY COUNCIL CHAMBERS
JUNE 20, 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; Associate Planner Chuck Darnell; Electric Utility Director Dan Voss; and Recording Secretary Cathy Sorensen.

Absent at roll call: None.

3. COUNCIL MINUTES

3.1 Minutes of June 6, 2016, Regular Meeting.

Motion by Councilmember Anderson, seconded by Councilmember Freeburg, to waive the reading and approve the June 6, 2016, Regular Meeting minutes.

Vote taken. All ayes. Motion carried.

4. OPEN FORUM

4.1 Audit Presentation.

Finance Director Lori Yager introduced Lisa Desotelle of Wipfli to share the annual audit presentation. She said the results of the audit were good and resulted in an unmodified or clean opinion with no exceptions reported by Minnesota Legal compliance. Ms. Desotelle shared this is Anoka's 34th year receiving the GFOA Certificate of Achievement for Excellence in Financial reporting and complimented staff on the good work they do.

4.2 George and Nancy Cassett, said they would like to purchase the City-owned lot on Madison Street and River Avenue in order to build a home.

Mr. Lee said this area is zoned Medium Density for rowhomes and that staff will be reviewing the Comprehensive Plan next year and said the Council may wish to

change the vision for this area which may not include a single family lot. He noted the Park Board also views this lot as park property for park uses only and said that issue will need to be addressed. He said this lot could be for sale in the future but suggested Council wait at this time.

Councilmember Freeburg inquired about the two other homes to the north. Mr. Lee said staff has not contacted those property owners.

Mayor Rice said the entire block is on the evening's agenda for consideration and referred to 1803 1st Avenue as part of an overall plan that was sold to a private owner which could be a concern coming up. He said there could be changes in ownership for some of the lots depending on actions taken tonight which would make it even less likely to sell this lot to a private owner.

Councilmember Weaver confirmed that the City owns this lot and not the Housing and Redevelopment Authority (HRA). Mayor Rice said the City also owns 1807 Madison.

Councilmember Schmidt noted 1813, 1814 and 1819 Madison are owned by the Lehns.

Mayor Rice noted the City could not sell any lots without listing them first. Councilmember Schmidt agreed, adding this lot is not part of the parcels being offered.

Councilmember Weaver stated the Cassetts' inquiry is now part of the discussion.

Virginia Leven, Anoka, said the State updated the Cottage Food law July 1 which allows home baking and cottage food registration, which the City does not allow and said she would like to bake products for sale at home and expand her cooking business. She said the Department of Agriculture oversees selling and labeling requirements and currently has 1,371 registered home bakers in Minnesota with 50 applications pending.

Associate Planner Chuck Darnell said the City's home occupation ordinance prohibits food preparation for sale as cities can be more prohibited and said this activity would require a code amendment.

Councilmember Weaver said he liked the energy and passion of this proposal and asked for the topic to be included in an upcoming worksession.

Mr. Lee suggested this topic be scheduled for July 22. Mr. Darnell suggested bringing to the July Planning Commission workshop agenda first for consideration.

Councilmember Schmidt suggested Ms. Leven contact Anoka County as well to see what may be required.

5. PUBLIC HEARING(S)

None.

6. CONSENT AGENDA

Motion by Councilmember Weaver, seconded by Councilmember Schmidt, to approve Consent Agenda 6.1 through 6.5.

- 6.1 Approved Verified Bills.
- 6.2 Revising and Setting Council Calendars.
- 6.3 Consideration of Waiving Monetary Limits for Liability Coverage and Annual Insurance.
- 6.4 Issuance of Tree Care License; YTS Companies, LLC.
- 6.5 Recommended Approval of an LG220 Gambling Permit; Anoka Rotary Club; Raffle at Green Haven Golf Course and Event Center, November 9, 2016.

Vote taken. All ayes. Motion carried.

7. REPORTS OF OFFICERS, BOARDS AND COMMITTEES

7.1 Planning Items.

7.1.A. RES/Variance; 1423 4th Avenue.

RESOLUTION

Mr. Darnell shared a staff report with background information to the Council stating the applicant, Alan Untereker, has requested a variance to allow for the construction of a new deck at 1423 4th Avenue that will result in a rear yard setback that is smaller than the minimum rear yard setback required. The deck that is being proposed would be located 15.5 feet from the rear property line. The applicant had a deck on the property in a similar location, but it was removed because it was in poor condition. That deck was nonconforming, as it was located only 17.5 feet from the rear property line. The applicant would like to expand the size of the deck to create a more functional space, which is resulting in the variance request for the smaller rear yard setback.

Councilmember Freeburg said he is in favor of variances when appropriate and have neighborhood support as they result in improvements to some difficult lots in the City.

Motion by Councilmember Freeburg, seconded by Councilmember Weaver, to adopt a resolution adopting a variance for 1423 4th Avenue.

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

7.1.B. RES/Preliminary Plat; 1 Vista Way.

RESOLUTION

Mr. Darnell shared a staff report with background information to the Council stating the applicant, AD Center, LLC - property owner at 1 Vista Way, proposes to replat private and city-owned land that is located on the northeast corner of Thurston Avenue and Highway 10. The purpose of the plat is to create a development parcel in the center of the existing property, and plat other areas as right-of-way and outlot to allow for the construction of Green Haven Parkway and required stormwater management infrastructure in the future. The preliminary plat encompasses 24.11 acres which includes 4 existing lots.

Councilmember Freeburg asked if the pump house for irrigation is of any concern. Mr. Darnell said the pump house is being proposed to be relocated as part of site plan review.

Councilmember Weaver asked if the right-of-way for the new backage road is enough frontage for golf carts. Mr. Darnell shared that Green Haven Parkway and will accommodate that type of traffic along a 12-foot trail.

Councilmember Anderson said he presumes the right-of-way goes to Outlot B. Mr. Darnell said the right-of-way will not be in the plat area but the future roadway will go through Outlot B.

Motion by Councilmember Weaver, seconded by Councilmember Freeburg, to adopt a resolution approving a preliminary plat for 1 Vista Way/Green Haven Parkway Addition.

Councilmember Schmidt said the City is blessed to have this corporate business expand by 61,000 square feet and said it reflects confidence in the industry and Anoka.

Councilmember Weaver agreed, stating Federal Premium provides ammunition to the military, outdoor recreational, and electric utility and will provide jobs and employment.

Councilmember Freeburg thanked Federal Premium for expanding in Anoka.

Mayor Rice said part of the 61,000-square foot expansion was a large investment and will accommodate more growth. He referred to the scenic route on site and said he is proud to have them in Anoka.

Councilmember Schmidt said they already have signs posted about hiring and said many generations of employee work there.

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

7.1.C. RES/Final Plat; 1 Vista Way.

RESOLUTION

Mr. Darnell shared a staff report with background information to the Council stating the applicant, AD Center, LLC - property owner at 1 Vista Way, is requesting approval of the final plat for Green Haven Parkway Addition. The land that will be replatted encompasses the property that is addressed 1 Vista Way, 1 additional lot, and 2 surrounding outlots. The Planning Commission held a public hearing on June 7, 2016 and recommended approval of the preliminary plat for Green Haven Parkway Addition. Staff believes that the final plat is in significant agreement with the preliminary plat.

Motion by Councilmember Freeburg, seconded by Councilmember Anderson, to adopt a resolution granting final plat approval for 1 Vista Way/Green Haven Parkway Addition.

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

7.1.D. RES/Site Plan; 1 Vista Way.

RESOLUTION

Mr. Darnell shared a staff report with background information to the Council stating the applicant, AD Center, LLC - property owner at 1 Vista Way, has submitted an application for site plan review to construct a single story 61,000 sf. building expansion on the north side of the existing

office/warehouse building. Truck traffic will use the north access drive to enter the property from Green Haven Parkway, and will enter a secure loading bay area on the east side of the building. The existing gravel parking area, which is a nonconforming parking surface, will be updated to bituminous, as required by Anoka City Code upon the need for a site plan review.

Councilmember Schmidt asked if there needs to be expansion of storm water drainage when Green Haven Parkway is constructed. Mr. Darnell said that is included in the maintenance agreement within the development agreement.

Mayor Rice inquired about the line for trailer and truck parking and if that is a separation that would not allow vehicles to pass through. Mr. Darnell said there will be a secured chain link fence as the area needs to be secured with a gate on the north end.

Mayor Rice said some traffic will be coming from the north and west and exiting at Thurston to access the site and would it be appropriate to have access at the north end of the employee lot to allow those coming from Thurston Avenue side. Mr. Darnell said they could allow a future access point and if the building became multi-tenant it could be explored earlier.

Mayor Rice referred to future grade changes to Highway 10 and that Thurston is not an attractive exit to the building.

Councilmember Weaver asked if access on the northwest corner will have enough turning radius. Mr. Darnell said Engineering has determined the access will be fine, adding Bolton-Menk recommended this alignment.

Councilmember Weaver confirmed there will be proper sight lines as well.

Mayor Rice referred to Green Haven Parkway and the backage road. Mr. Darnell said this will be separate project with Green Haven Parkway at a different time and that the development agreement outlines the phases.

Mayor Rice said he has seen an outline of the outlot to provide for Green Haven Parkway and asked for more information. Mr. Darnell shared the proposed design for the parkway stating it is consistent with the site plan.

Motion by Councilmember Weaver, seconded by Councilmember Anderson, to adopt a resolution granting site plan approval for 1 Vista Way/ Green Haven Parkway Addition.

Mayor Rice thanked the applicant on their continued success and wished them the best.

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

8. PETITIONS, REQUESTS AND COMMUNICATION

None.

9. ORDINANCES AND RESOLUTIONS

9.1 ORD/Amending Chapter 48; Article II Rental Licensing. *(1st Reading)*

Mr. Darnell shared a staff report with background information to the Council stating staff has begun to ensure that all rental property owners are complying with the requirements of the City's rental licensing program and is proposing changes to the rental licensing ordinance to increase the efficiency with which staff can administer the rental licensing program, and also to better allow staff to ensure that the purpose of the rental licensing program is being accomplished. The City Council discussed this item at their April 25, 2016 worksession, and provided guidance for staff on how to proceed with making updates to the rental licensing ordinance. The changes that staff is proposing to the rental licensing ordinance reflect the discussion that occurred at the worksession meeting. Staff is bringing forward the proposed changes at this time to ensure that they are in place before the rental license renewal process begins in late 2016.

Mr. Darnell reviewed the exempted list, including group homes, homeless shelters, and day cares.

Councilmember Schmidt said he was under the impression that we cannot regulate exemptions. Mr. Darnell said there is nothing in the rental licensing requirements for state-licensed facilities as they are already inspected and should not be subject to additional inspections.

Councilmember Anderson inquired about staggering the inspections versus having a very large workload every three years. Mr. Darnell said they conduct almost 500 renewals annually now which would be devoted to inspections instead. He said the goal is to inspect one third of the licenses each year.

Councilmember Freeburg said he is pleased to have Mr. Darnell on staff. He said Anoka has a very diverse stock of rental property and that this proposal is not as intrusion but still provides safe housing without retaliation, which has been a burden on the City.

Motion by Councilmember Freeburg, seconded by Councilmember Anderson, to hold first reading of an ordinance amending Chapter 48; Article II. Rental Licensing of the Code of the City of Anoka, Minnesota.

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

9.2 ORD/Amending 2015 Master Fee Schedule; Rental Licensing.
(1st Reading)

Mr. Darnell shared a staff report with background information to the Council stating as part of the updates to the rental licensing ordinance, staff is proposing some minor changes to the City's 2016 Master Fee Schedule. Currently, the rental licensing ordinance lists a conversion fee and a nuisance call fee, but those fees are not specifically stated in the fee schedule. Staff is proposing the addition of a \$100 conversion fee, which would apply when an existing single family home is proposed to be converted to a rental property. This \$100 fee would be the same as the existing re-instatement fee. Staff is also proposing that a nuisance fee be added to the fee schedule. The nuisance fee would be \$250 dollars for the first required notification, and staff is proposing that the fee doubles to \$500 in the event of a repeat nuisance call notification. Staff is proposing to keep the annual license fee the same at \$80 per property, plus \$2 for each additional unit. However, by switching to a 3-year license renewal process, an applicant would be required to pay for three years of license fees at the time of renewal.

Councilmember Schmidt asked if the fee would be transferrable. Mr. Darnell said the fee would be transferrable with 30 days-notice.

Councilmember Schmidt suggested including a refund if the use is changed. Mr. Darnell said staff could add that language to the second reading.

Mayor Rice agreed, stating our goal is to have owner-occupied property and that refund could incentivize that goal.

Mr. Darnell said staff is not always made aware of an ownership change so if they know there will be a refund that will help keep records updated.

Mayor Rice said every three years we could reduce those fees for those who have had inspections for the first two years to get on board for the three-year cycle. He said he would like to see the inspection fee for a formal complaint dropped as it makes them vulnerable, adding that is not a frequent occurrence and is the City's responsibility to check and provide for safety of residents.

Mr. Darnell said that portion could be removed from second reading and applied to Chapter 48.

Councilmember Weaver said some use the complaint process when they cannot pay their rent to get the landlord in trouble.

Mayor Rice said the landlord is paying the inspection fee and would be rewarding the resident who is trying to sting the owner.

Mr. Darnell said complaints from tenants that are not life safety issues are asked to be given to the property owner to fix and if ignored then the City gets involved.

Councilmember Schmidt asked if a letter to a landlord would not trigger the \$100 complaint fee. Mayor Rice said the fee would only be triggered by inaction of a landlord.

Motion by Councilmember Freeburg, seconded by Councilmember Schmidt, to hold first reading of an ordinance amending the 2016 Master Fee Schedule of the City of Anoka, Minnesota.

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

9.3 RES/Approving Property Exchange with Anoka HRA; 1807 1st Avenue (City) and 2810 Fairoak (HRA).

RESOLUTION

Housing Manager Darin Berger shared a staff report with background information to the Council stating in 2011, the Housing and Redevelopment Authority (HRA) purchased the property at 2810 Fairoak Avenue. At this time, the City was in the process of working through the Greens of Anoka Redevelopment Plan and the HRA was likely to play a role in redevelopment in this area. Since then, however, the HRA's role in this area has diminished and the City has become the lead on any future redevelopment projects. In response to Walker Methodist's interest in assembling a complete property for their Walker Plaza Gardens project, HRA Staff tried diligently to work out a deal to acquire 1812 1st Avenue from Beehive Partners, LLC. The timing for the parties involved did not work out and we proceeded without the parcel. There has since been some interest shown in assembling additional land between River Avenue and 1st Avenue for a potential future private redevelopment. This would include the City owned parcel at 1807 1st Avenue if this property exchange were to go through. In order to make this happen, the City will need to transfer ownership of this parcel to the HRA and the HRA will transfer ownership of 2810 Fairoak Avenue to the City. Once the HRA has ownership of 1807 1st Avenue, ownership will be conveyed to Beehive Partners, LLC and Beehive Partners, LLC will convey ownership of 1812 1st Avenue to the HRA. To complete the process, the HRA will sell 1812 1st Avenue to Walker Methodist Plaza Gardens, LLC to allow for a larger, more complete site for additional landscaping and screening.

Councilmember Freeburg confirmed there is no structure on 1812 1st Avenue. Mr. Berger said there is no structure on either 1812 1st Avenue or 2810 Fairoak.

Councilmember Weaver inquired about the price. Mr. Berger said \$20,000 is a fair market value for that lot size in that area.

Councilmember Freeburg asked about lot dimensions. Mr. Berger said the lot size for 1812 1st Avenue is 45x132.

Motion by Councilmember Freeburg, seconded by Councilmember Weaver, to adopt a resolution approving property exchange with Anoka HRA; 1807 1st Avenue (City) & 2810 Fair Oak Avenue (HRA).

Mayor Rice said it makes sense for Walker Plaza and moves others into a new direction.

Councilmember Schmidt said the City was the driver in this project but noted we are accomplishing this for a private investor.

Mayor Rice said someone had interest in Beehive in order to collect properties for future projects.

Councilmember Schmidt said 1807 1st Avenue was paved for overflow parking and is a 90-foot lot. Mr. Berger said the lot is 66x132 feet and seldom used and that Weis Builders has been using it for parking during the Walker Plaza project.

Councilmember Freeburg asked if the lot is available for parking. Mr. Berger said the lot is available for public parking.

Councilmember Weaver asked who maintains the lot if under private ownership. Mr. Berger said they are still working through that issue but said it will not be the City.

Mayor Rice said the lot is used more than seldom and said it is not inconvenient so he would be willing to lease it for a nominal fee as contract parking.

Mr. Lee said they could use the lot for overflow events for Aitkin Park.

Councilmember Schmidt said we will be losing some parking so this should be palatable with Beehive.

Mr. Lee asked if staff should market the lot immediately or wait for a larger plan. Mayor Rice said things are going to change in this area so it is reasonable to look at this area for any expandable projects as they could be very attractive properties.

Councilmember Schmidt asked if the lease for parking will require additional Council approval. Mr. Berger said staff could add a stipulation to address the parking.

Mayor Rice agreed, stating this is costing the City in parking.

Councilmember Freeburg said he could amend his motion to include allowing for free parking until a proposal comes forward for a project.

Mr. Lee said the lessee could be listed as a hold harmless in the lease agreement based on staff reaching an agreement with Beehive to have the lot remain as parking or it could be brought back to the next meeting.

Councilmember Weaver said we should not postpone action as it could slow Walker Plaza down, adding staff has this latitude.

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

9.4 RES/Approval of Intent to Reimburse Expenditures from Bond Proceeds.

RESOLUTION

Ms. Yager shared a staff report with background information to the Council stating the City of Anoka is currently working on storm water improvement projects throughout the City. Staff is recommending that the City issue storm water bonds to provide funding for the current and future projects. Approval of this resolution is essential for funding the 2016 projects already underway in the Storm Water fund.

Motion by Councilmember Schmidt, seconded by Councilmember Freeburg, to adopt a resolution declaring the official intent of the City of Anoka to reimburse certain expenditures from the proceeds of bonds to be issued by the City.

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

9.5 RES/Calling for Sale of 2016B Bonds; Stormwater Utility.

RESOLUTION

RES/Credit Enhancement 2016B.

RESOLUTION

Ms. Yager said staff is proposing the issuance of Storm Water Utility Revenue bonds to pay for improvements to the storm water system. There are several storm water utility improvements occurring in 2016 and 2017 and as alternative to internal lending, staff is proposing to issue bonds, preserving internal lending options for other City projects. The storm water improvements include Bonnell

Park, two 2016 street renewal projects, the river outfall repair, Goodrich Field, Brisbin Park and two 2017 street renewal projects. The projects are expected to total over \$2 million. Staff is also recommending authorization to enter into a credit enhancement program agreement with the Minnesota Public Facilities Authority. This program is a way for cities to improve the credit rating for a particular bond issue. The cost of this program application is \$500. The potential savings of an improved rating through Standard and Poors is about \$16,000 over the life of the bonds.

Councilmember Weaver said he does not like to bond and asked if the 4% fee increase covers the bonds as we have other projects coming forward. Ms. Yager said the bonds will be paid from the fees and we will need to increase the fee 4% per year no matter what.

Councilmember Weaver said this seems like we are borrowing twice.

Mayor Rice said the other choice is to stop spending so much money. He said we have been extremely aggressive on our streets, which is good, but by issuing these bonds we improve our bond rating.

Ms. Yager said we are paying for credit enhancement which saves quite a bit on only these bonds.

Councilmember Weaver inquired about other bonds staff is contemplating. Ms. Yager said we will likely issue storm water revenue bonds in 2018 and 2020 and if these projects are less we could look at issuing less debt but said Council has identified some pretty high priority projects.

Councilmember Schmidt said next year's projects will be \$2 million and the following year \$3 million. He said statutory requirements for bond levels are based on what we have and we could issue \$30 million. He said we are at \$13 million in bonds and all but one are revenue G.O. bonds.

Ms. Yager said that amount applies to a limit is much smaller, adding TIF has other sources of revenue.

Shelly Eldridge with Ehlers and Associates reviewed the details of the bond issue and presale report for the G.O. Storm Water Utility Revenue.

Councilmember Weaver said he understands the importance of infrastructure but his concern is repeated borrowing resulting in increased levies. Ms. Yager said this will not impact the levy as it is paid by fees on utility bills.

Councilmember Weaver said fees are taxes.

Mayor Rice said if we spend less we do not have to bond.

Councilmember Weaver said the CIP and ERP are wish lists that Council can say no to when the time comes. He said when the recession occurred we deferred many items and projects.

Councilmember Freeburg said but we paid for this later when we had to replace infrastructure through users' fees.

Ms. Eldridge reviewed the presale report and said in the last two weeks the tax exempt bond market is at historic lows. She said while this is not much of a consolation it is some and said the credit enhancement through the PFA helps the AA2 rating with Moody's. She said they will use the Standards and Poors triple bond rating of AAA for this bond to get the credit enhancement. Ms. Eldridge said 20-year bonds are callable in eight years and can be prepaid in eight years, adding the risk factor is G.O. bonds but are backed by the full faith and credit of Anoka. She said if there are not sufficient funds other revenues would be pledged, including a tax levy.

Mayor Rice asked what the bonds will cost us. Ms. Eldridge said the bonds will cost 2.3% over the life of bond or \$39,000 which is just over \$419,000 with the total interest charge, adding it depends on what the rates come in at.

Councilmember Weaver said he would rather pay us than Ehlers and Associates. Ms. Yager said there is an opportunity cost which is why staff is recommending this bond.

Mayor Rice said he is very interested in controlling spending so we do not have to bond in the future but said we are investing in Anoka

Councilmember Weaver said voting now keeps the conversation going.

Motion by Councilmember Anderson, seconded by Councilmember Schmidt, to adopt a resolution providing for the sale of \$1,850,000 general obligation utility revenue bonds, Series 2016B.

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

Motion by Councilmember Freeburg, seconded by Councilmember Schmidt, to adopt a resolution approving the credit enhancement for 2016B.

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

9.6 ORD/Granting an Easement to City of Champlin for Champlin Substation.
(1st Reading)

Electric Utility Director Dan Voss shared a staff report with background information to the Council stating the City of Champlin is requesting an easement to construct a cul-de-sac on 128th Lane. Approximately 50 feet lies within the southwest portion of the Champlin substation property. The City of Champlin will be responsible maintenance, repair and snow removal of the cul-de-sac. The easement has been reviewed by the City Attorney and has no impact on our site or substation.

Councilmember Schmidt asked if the new housing will be served by AMU. Mr. Voss said the new area will be served by Connexus Energy.

Councilmember Schmidt confirmed this will have no impact in serving our substation and confirmed the berm is around range 22. Mr. Voss said that is correct.

Mayor Rice asked if this will be outside our fenced area. Mr. Voss said the easement will be outside the fenced area.

Councilmember Weaver asked if the property will be owned by Champlin. Mr. Voss said it will but there will be no payment.

Councilmember Weaver said once the road is constructed will the easement be permanent and asked if any future enhancement of the substation such as expansion or mechanical work could obstruct future changes. Mr. Voss said that will not occur.

Councilmember Freeburg said we own the site but Champlin cannot claim it because of the easement so there is no risk of losing property through adverse possession. Councilmember Schmidt said this will be a perpetual easement.

Motion by Councilmember Freeburg, seconded by Councilmember Anderson, to hold first reading of an ordinance granting an easement to the City of Champlin for constructing a cul-de-sac.

Councilmember Weaver said he wished the infrastructure would have been placed on that site. Mayor Rice said it is but outside the fenced area is City property.

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

9.7 RES/Recommended Approval of an LG214 Gambling Permit for ARAA and 201 Tavern.

RESOLUTION

Mr. Lee shared a staff report with background information to the Council stating the City has received an LG214 application from Anoka Ramsey Athletic Association (ARAA) requesting that they be allowed to obtain a Premise Permit to operate gambling at 210 Tavern & Grill, 201 Jackson Street. The Minnesota Gambling Control Board requires the municipality provide a recommendation or comment on the issuance of a premise permit. Mr. Lee said ARAA is eligible as they are headquartered in Anoka but only recently selected their location in Anoka. He said City Code states an organization must have headquarters in Anoka for two years but noted ARAA has been serving the City of Anoka for the last 22 years.

Mayor Rice asked if Kline has an office in Anoka. Mr. Lee said he did not think so but said we do open up sites to other organizations if no one comes forward. He said ARAA has to build a booth to sell pulltabs and that this will be quite an investment.

Mayor Rice asked if ARAA has other pull tab locations. Mr. Lee said they do, including some outside Anoka.

Motion by Councilmember Weaver, seconded by Councilmember Schmidt, to adopt a resolution recommending the issuance of a State issued LG214 Gambling License and Premise Permit for Anoka Ramsey Athletic Association (ARAA) at 201 Tavern & Grill, 201 Jackson Street, Anoka, Minnesota.

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

10. UNFINISHED BUSINESS

None.

11. NEW BUSINESS

11.1 Approve Capital Improvement Plan.

Ms. Yager shared a staff report with background information to the Council stating the final copy of the 2017 – 2021 five-year capital improvement plan for the City of Anoka has been provided. Council and staff reviewed this document in detail at the work session on Monday, May 23, 2016 where a few changes were recommended, including: reduced CSAH 7 & Grant signal replacement (\$162,583); remove Aquatic Center re-plaster (\$30,000) include in annual budget process; and remove duplicate Greenhaven Parkway (\$2,100,000). She said this document is a planning document and will be reviewed annually.

Councilmember Weaver asked if this document is posted. Ms. Yager said the CIP will be posted online and can be viewed at City Hall.

Councilmember Weaver said the CIP covers most every possible aspect of City business.

Councilmember Schmidt said the CIP includes substantial improvements at Green Haven and asked that the Green Haven sign on Highway 10 be replaced as it is washed out. He suggested a changeable readerboard in partnership with someone else for marketing opportunities.

Mr. Lee said the CIP includes all the elements of the Anoka Solution Trunk Highway 10 Plan and will be discussed at next week's worksession. He said staff will be asking if Council wants to proceed and take the lead for grants for Fairoak reconstruction in 2021.

Motion by Councilmember Freeburg, seconded by Councilmember Weaver, to approve the 2017-2021 Capital Improvement Plan.

Vote taken. All ayes. Motion carried.

11.2 Approve Equipment Replacement Plan.

Ms. Yager shared a staff report with background information to the Council stating the final copy of the 2017 – 2021 five-year equipment replacement plan for the City of Anoka has been provided. Council and staff reviewed this document in detail at the work session on Monday, May 23, 2016 and that one change was recommended to remove a copier from the 2017 plan. She said this is a planning document, which will be reviewed annually.

Motion by Councilmember Weaver, seconded by Councilmember Freeburg, to approve the 2017 – 2021 Equipment Replacement Plan.

Vote taken. All ayes. Motion carried.

12. **UPDATES AND REPORTS**

12.1 Bi-Annual Round-Up Report.

Ms. Yager shared a staff report with background information to Council updating the status of the "Round Up for Change" program regarding collections and disbursement of revenues. The round up program has been in place for over two years and staff is continuing to notice a decline in enrollment for rounding up of new customers. Round up participation has gone from 8,100 in 2012 to 6,382 in 2016. Donations for the current year are \$15,910. There were also undisbursed funds at the end of 2013 in the amount of \$3,530. As of May 31, 2016 there is a

balance of \$19,350 available for disbursement. The Annual budget for Youth First Community of Promise is \$17,000 and for Alexandra House it is \$8,000.

Mayor Rice asked if we are projecting forward additional funds after we disburse pledged amounts. Ms. Yager said we are still projecting forward additional funds.

12.2 Tentative Agenda(s).

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

12.2 Staff and Council Input.

Mr. Lee updated the Council on the TH 47 Ferry Street MnDOT meeting from 5-7pm for the railroad grade feasibility study. He said Anoka-Hennepin education center has different options such as over or under the tracks and that separate meetings with impacted property owners will be held. He said staff expects a feasibility study by August at which point we can proceed with design.

Mayor Rice said there will be many stakeholders interested that do not live or work in Anoka, including commuters.

Mr. Lee said this crossing is the highest ranked crossing in the State based on safety and will cost \$14 million compared to the Hanson Boulevard crossing in Coon Rapids at \$24 million. He said this crossing has 21,000 vehicles compared to Hanson at 12,000 with less fatalities too.

Mayor Rice said an overpass would be less expensive. Mr. Lee agreed, adding an underpass is highly unlikely but will be presented and reviewed.

Councilmember Freeburg inquired about 4th Avenue. Mr. Lee said the County has not been contacted but staff is moving forward with mill and overlay for 4th Avenue and Grant Street and being set up for turnbacks. He said staff is working with the County to get these roads in good condition, adding Grant Street is 44 feet wide which would be much narrower with a trailway. Mr. Lee said the County is upgrading the signal at Grant and 7th this year and will pay 75% of the cost which has not been budgeted so there are issues to address.

Councilmember Weaver inquired about people hanging around 2nd Avenue and Jackson Street and how this is being addressed. Mr. Lee said he has spoken with the Police Chief who is making adjustments with foot patrols and focusing on this area, including checking observation points to see what activities are occurring.

Councilmember Freeburg said people are sitting near the transformer which is a concern. Mr. Lee said staff is considering constructing a fence on top of the wall with pickets to prevent individuals hiding behind the wall.

Councilmember Weaver said it is very important that we are proactive in this matter.

13. ADJOURNMENT

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

Vote taken. All ayes. Motion carried.

Time of adjournment: 9:40 p.m.

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

Approval Attestation:

Amy T. Oehlers, City Clerk