

**REGULAR MEETING OF THE ANOKA CITY COUNCIL
ANOKA CITY HALL
CITY COUNCIL CHAMBERS
JULY 18, 2016**

1. CALL TO ORDER

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

2. ROLL CALL

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

Staff present: City Manager Greg Lee; Deputy Community Development Director Doug Borglund; Finance Director Lori Yager; Associate Planner Chuck Darnell; Police Chief Phil Johanson; Public Works Superintendent Mark Anderson; Public Services Administrator Lisa LaCasse; City Attorney Scott Baumgartner; and Recording Secretary Cathy Sorensen.

Absent at roll call: None.

3. COUNCIL MINUTES

3.1 Minutes of June 27, 2016, Worksession
Minutes of the July 5, 2016, Regular Meeting.

Motion by Councilmember Freeburg, seconded by Councilmember Weaver, to waive the reading and approve the June 27, 2016, Worksession and the July 5, 2016 Regular Meeting minutes.

Vote taken. All ayes. Motion carried.

4. OPEN FORUM

4.1 Eagle Scout; Dominic Tverberg.

Public Works Superintendent Mark Anderson shared a staff report with background information to the Council stating each year the City of Anoka receives requests from Life Scouts (Boy Scouts of America) who wish to complete an Eagle Scout Leadership Projects in the City of Anoka. These Eagle Scout Projects are a requirement that must be completed for a Scout to reach the level of "Eagle Scout". The process requires that the candidate develop a project and plan, get the necessary approvals, carry out the project, and then report on the completion of the project to the Eagle Scout board of review for approval.

Eagle Scout Dominic Tverberg shared about his Eagle Scout project which was removing the Rum River banks of buckthorn and thanked all who assisted him with the project, especially Mr. Anderson.

Councilmember Weaver complimented Mr. Tverberg on his project and presentation then thanked him for his work and for choosing a project in Anoka.

Mr. Tverberg said they had 14 people assisting with the project, including City staff, and said he had pedestrians congratulating him during the project.

Councilmember Schmidt invited Mr. Tverberg to share a narrative of the photos he presented. Mr. Tverberg explained buckthorn history and the invasive bacteria that kills surrounding greenery and how his project resulted in clearing around the Rum River boat landing so people can see the river.

Councilmember Weaver asked how much brush was removed from the area. Mr. Tverberg said they removed four dump truck loads from the area and thanked everyone for their support of the project.

5. PUBLIC HEARING(S)

None.

6. CONSENT AGENDA

Motion by Councilmember Schmidt, seconded by Councilmember Freeburg, to approve Consent Agenda 6.1 through 6.6.

6.1 Approved Verified Bills.

6.2 Revising and Setting Council Calendars.

6.3 Issuance of a Massage Business License; Ackerman Acupuncture, 207 E. Main Street.

6.4 Issuance of a Massage Therapist License; Andrew Schara.

6.5 Recommended Approval of an LG220 Gambling Permit for Walker Methodist Foundation.

6.6 Issuance of a Temporary On-Sale Malt Liquor License; Anoka Lions Club at Anoka County Fair.

Vote taken. All ayes. Motion carried.

7. REPORTS OF OFFICERS, BOARDS AND COMMITTEES

7.1 Planning Items.

7.1.A. ORD/Amending Chapter 74; Article V, Division 1; Planned Unit Developments.
(1st Reading)

Associate Planner Chuck Darnell shared a staff report with background information to the Council stating over the past few months, the City has been considering drafting an ordinance amendment regarding the minimum size required for planned unit development districts. The current zoning ordinance requires that the minimum district area be not less than five acres. This intent of including this size requirement was likely to meet the purpose and intent of the planned unit developments and to take advantage of large-scale site planning. However, the five acre minimum size no longer accurately reflects the types of development and redevelopment sites that are available in the City of Anoka.

Councilmember Anderson asked if the five-acre minimum has caused us to lose sales. Mr. Darnell said no as this will increase the flexibility of how we market our sites.

Councilmember Anderson thanked Mr. Darnell for his work.

Councilmember Schmidt inquired about the history of this ordinance. Mr. Darnell said this 20-30 year old ordinance and while staff feels it allows for flexibility some of the criteria is more restricting. He said we have only had five Planned Unit Developments so the history is small and there is only one lot smaller than five acres.

Councilmember Schmidt complimented staff on their good work and said if this change can enhance the saleability of several properties that will be good. He confirmed that the Planning Commission agreed with the proposal.

Councilmember Weaver said this will eliminate the need for a variance for a site smaller than five acres which takes another step out of the planning process, adding State law would not even allow us to grant a variance. Mr. Darnell said recent proposals required a variance and this ordinance will eliminate that need.

Motion by Councilmember Anderson, seconded by Councilmember Weaver, to hold first reading of an ordinance Amending Chapter 74; Article V, Division 1; Planned Unit Developments.

Councilmember Freeburg said with Anoka being niche community this will help get some of those parcels developed.

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

7.1.B. ORD/Amending Chapter 74; Article IX Division 1; Accessory Buildings.
(1st Reading)

Mr. Darnell shared a staff report with background information to the Council stating the Minnesota State Building Code was amended to allow for buildings of 200 square feet or less to be constructed without a building permit. Previously, buildings of 120 square feet or less did not require a building permit, and the City of Anoka had not previously reviewed or permitted buildings smaller than 120 square feet in size. With the change in the State Building Code, the City can no longer require that a building permit be obtained for accessory buildings smaller than 200 square feet in size. Therefore, the City has no way to monitor the placement of these types of buildings for compliance with zoning code requirements.

Councilmember Schmidt said he supports this in large part and understands there will be further discussion on home occupations and those restrictions on air conditioning and electricity but added he does not want to see too much in prohibited uses. He said while he understands we would not want to see a machine shop in these spaces we should have some flexibility.

Mr. Darnell said home occupations will be discussed with the Planning Commission and the topic will be brought forward next month.

Motion by Councilmember Freeburg, seconded by Councilmember Anderson, to hold first reading of an ordinance Amending Chapter 74; Article IX Division 1; Accessory Buildings.

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 RES/Sale of Bonds, \$1,850,000 G.O. Utility Revenue Bonds, Series 2016B for 2016 and 2017 Stormwater Utility Projects.

RESOLUTION

Finance Director Lori Yager shared a staff report with background information to the Council stating at the June 20, 2016 meeting, Council approved calling for the sale of 2016B Storm Water Utility Revenue Bonds. Shelly Eldridge with Ehlers and Associates shared the details of the sale results for the G.O. Utility Revenue Storm Water Bonds, Series 2016B. The 2016B G.O. Utility Revenue Storm Water Bond proceeds will pay for the 2016 and 2017 storm water utility projects and that Council is asked to approve the bid received today.

Shelly Eldridge, Ehlers and Associates, said they received bids earlier in the day and was pleased to share that the City received an upgrade to their Standards & Poor rating on the general obligation bonds and congratulated them on their new AA+ rating. She reviewed the criteria necessary to receive this rating increase and presented Ms. Yager with a plaque recognizing this bond upgrade rating.

Councilmember Freeburg congratulated staff on this accomplishment. Ms. Yager said the new financial model has worked very well to help achieve this new bond rating.

Councilmember Schmidt inquired about the State of Minnesota's bond rating. Ms. Eldridge said AA+ is just one notch below the State's rating.

Councilmember Schmidt said the City's balance sheets show only 1.5% of its market value is in bonds which are great.

Ms. Eldridge said the City received two bids and while she was a little disappointed that they had not received more bids the two held a number of differences. She said one is half the size of the one received a couple months ago as well as twice as long in term, adding they were both good bids of 2.39% and 2.45%.

Councilmember Schmidt confirmed the true interest rate. Ms. Eldridge said the rate includes the discount and premium and enables us to drop the par amount from \$1.85 million to \$1.795 million, resulting in a total interest decrease of \$15,000. She said the yield is on the long end which was underestimated but the coupons in 2017 going forward are pretty close.

Motion by Councilmember Schmidt, seconded by Councilmember Freeburg, to adopt a resolution approving the sale of \$1,850,000 G.O. Utility Revenue Bonds, Series 2016B for 2016 and 2017 stormwater utility projects.

Councilmember Weaver said this relates to the same bonds we dealt with and inquired about the actual interest that will be paid. Ms. Eldridge said the interest cost will be \$489,000 if not prepaid.

Councilmember Weaver said he voted against the bond because he would rather pay the money back to the taxpayers and said while he wants to have a larger

discussion before we do any more bonds he will support this action in the meantime.

Mayor Rice likened this to a home mortgage and said this improves the City's infrastructure which is a direct result of the AA+ rating. He said he would rather live within our means and instead have a goal of selling less bonds and tightening our belts and while he is against spending more than what we bring in he wants to continue to aggressively repair infrastructure.

Councilmember Weaver said they borrowed internally before and likened it to a credit card agrees while this is incredibly important he just wants to have the discussion.

Councilmember Schmidt said with 50-70 years life of infrastructure this borrowing becomes very reasonable, stating the investment will last far longer than these bonds and is reasonable.

Councilmember Freeburg agreed, stating we are going to use these streets for a long time.

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

9.2 ORD/Opt-Out, Temporary Healthcare Housing.
(2nd Reading)

ORDINANCE

Deputy Community Development Director Doug Borglund shared a staff report with background information to the Council stating this is the second reading of the proposed Chapter 1, Article 111, of the City Code Opting-Out of the requirements of Minnesota Statutes, Section 462.3593, which defines and regulates Temporary Family Health Care Dwellings. Mr. Borglund explained that staff is recommending opting out of allowing temporary family health care dwellings that provide an environment facilitating a caregiver's provision of care for a mentally or physically impaired person and that there have been no changes or additions since first reading.

Councilmember Freeburg said he is in favor of this ordinance as Anoka has many small lots and no room for this type of housing.

Councilmember Anderson asked which cities are opting in. Mr. Borglund some cities with rural or agriculture have opted in but they may have another tool to help control, adding more urbanized cities and first and second ring suburbs are opting out.

Motion by Councilmember Freeburg, seconded by Councilmember Anderson, to hold second reading and adopt an ordinance opting out of the temporary healthcare housing as outlined in Statute.

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

9.3 RES/Bond Reimbursement; Greenhaven Parkway.

RESOLUTION

Ms. Yager shared a staff report with background information to the Council stating the City is currently working on the Greenhaven Parkway project in the Greens of Anoka TIF district. Staff is recommending that the City issue G.O. Tax Increment Revenue bonds to provide funding for the Greenhaven Parkway project in 2017. In order to reimburse itself for expenditures occurred from May 18, 2016 through the bond issue date in 2017, City Council must pass a resolution declaring the intent to reimburse itself for expenditures incurred and to be incurred for the Greenhaven project it will issue bonds for in the future.

Motion by Councilmember Schmidt, seconded by Councilmember Anderson, to adopt a resolution declaring the official intent of the City of Anoka to reimburse certain expenditures from the process of bonds to be issued by the City for Greenhaven Parkway.

Councilmember Weaver asked that Council have a larger discussion again about internal borrowing. Ms. Yager said that discussion will occur during the 2017 budget meetings.

Councilmember Schmidt asked if this action will affect bond reimbursement or expenses. Ms. Yager said this is for expenditures if we issue debt as we have already done an internal loan resolution and are covered.

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

9.4 ORD/Approving Lease Agreement and First Amendment with Dennis and Beverly Medved; Riverplace Duplexes.
(2nd Reading)

ORDINANCE

Mr. Borglund shared a staff report with background information to the Council stating Council is asked to approve an Exchange and Development Agreement with Dennis and Beverly Medved along with approvals to sign all other necessary

documents related to this transaction, including a Lease Agreement between the City and Dennis & Beverly Medved for the duplexes on Fremont Street.

Councilmember Freeburg asked if the duplex on Fremont Street is listed. Mr. Borglund said this parcel is under contract and listed and is in negotiations.

Motion by Councilmember Freeburg, seconded by Councilmember Weaver, to hold second reading and adopt an ordinance approving a lease agreement and first amendment to the lease agreement between the City of Anoka and Dennis and Beverly Medved.

Councilmember Schmidt said the progress is going very well and asked when the City will remove the structures. City Manager Greg Lee said that will occur in January to mid-February during contractor's down time and when the ground is frozen which is easier on the roads.

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

9.5. ORD/Amending Chapter 46, Article VII, Offenses Related to Drug Paraphernalia.
(1st Reading)

Mr. Borglund shared a staff report with background information to the Council stating the City of Anoka has seen an increased number of businesses that have moved into the community that sell products that can be identified as drug paraphernalia. The City Code has been reviewed and determined that adequate provisions are not in place to address the issue of drug paraphernalia. Many Minnesota cities have adopted ordinances that restrict the use, sale, or possession of drug paraphernalia by local ordinance. Cities are placed in an enforcement position because some retailers have expanded the selling of products and equipment that can be used with controlled substances and utilize direct or indirect advertising of drug paraphernalia, including but not limited to different pipes and bongs. With this product expansion occurs, it changes or modifies the nature of the business itself.

Councilmember Anderson asked how permitted medical marijuana how be affected. Mr. Borglund said the ordinance is not intended to regulate the use of marijuana just drug paraphernalia.

Councilmember Freeburg inquired about enforcement and consequences. Mr. Borglund said possession to sell is a direct violation and would result in removal of the products and Police involvement.

Councilmember Schmidt said the intent would have to be to sell so it is not illegal to possess. Mr. Borglund said this ordinance would apply to any individual in the City.

Councilmember Anderson asked about scales and balances used for many other trades. Mr. Borglund said that would be considered related circumstantial evidence and would have to be associated with a controlled substance at the discretion of law enforcement.

City Attorney Scott Baumgartner said Statute currently prohibits drug paraphernalia but this language expands on that and further clarifies a violation because nothing in Statute defines drug paraphernalia. He said the ordinance goes through additional criteria that the court can use to define in a case, noting that statute states possession is a petty misdemeanor but after August 1 a third violation will be a misdemeanor. Mr. Baumgartner said many other cities are following the same idea and that the ordinance expands and clarifies intent so from a prosecution standpoint this will provides additional tools regarding intent to distribute and sell. He noted State statute allows cities to be more restrictive which is what this ordinance will do.

Mayor Rice said the disclaimer will be a successful argument in any case. Mr. Baumgartner agreed, stating common sense enters into the equation and that the ordinance takes State statute a step further.

Mayor Rice said referred to clients of adult foster care facilities who are smokers and have limited money for personal needs and as a result use one of the prohibited items in the ordinance, dug outs, for smoking regular tobacco and said these items are used for things other than illegal drugs.

Mr. Baumgartner said staff will discuss the use of medical cannabis as a possible exception if a prescription for cannabis is present.

Councilmember Anderson asked what happens if recreational use of marijuana comes about. Mr. Baumgartner said the City can modify the ordinance while still being as restrictive as possible.

Motion by Councilmember Weaver, seconded by Councilmember Freeburg, to hold first reading of an ordinance Amending Chapter 46, Article VII, Offenses Related to Drug Paraphernalia.

10. UNFINISHED BUSINESS

None.

11. NEW BUSINESS

- 11.1 Revision to City Policies: 2013-01 Park Facility Rentals and Reservations and 2013-02 Park Facility Rental for Performance Arts Events.

Public Services Administrator Lisa LaCasse shared a staff report with background information to the Council stating the Public Services Department receives many requests annually for exclusive use of City parks, some of those requests fall outside of the traditional family picnic, wedding, or birthday party. Staff works closely with Administration to determine whether those events are allowed or fall under the definition of a special event and therefore require special permits. The recent review and revisions to Chapter 14 Licensing; Amusements and Entertainment Article VII Special Events, has required review and revision to City policies 2013-01 and 2013-02 so that these policies regarding park rentals do not conflict with City Code and work in conjunction with the requirements for special events. The Park Board reviewed the Policies at their May 2016 and June 2016 Regular meetings and has approved the proposed changes. Ms. LaCasse reviewed the vetting process and what triggers a special event license before a park permit is issued.

Councilmember Weaver inquired about events with alcohol held by a non-profit organization such as the Lions. Ms. LaCasse said those would be handled under special events and would have requirements such as cans or plastic bottles. She shared about a recent event where a shelter was rented for 100 people that ended up with 500 and showed evidence of consumption so staff is trying to revise the policy to allow for recourse and additional fees if necessary.

Councilmember Schmidt said this is very reasonable, adding a Lions group would be responsible for serving and that fees should be paid in advance with no deposit. Ms. LaCasse said a key deposit is required but open air park shelters do not require a deposit, adding staff will be reviewing this again in the fall as part of master fee schedule review.

Councilmember Schmidt suggested a cancellation fee be implemented too for those who cancel.

Councilmember Weaver asked if there is some discretion to interpret the policy in case an event comes forward. Ms. LaCasse said there is, adding the ordinance will help staff too in the case of too much discretion as it gives more direction and outlines adherence to the code.

Mayor Rice inquired about keys and hours and if anyone is checking on these events. Ms. LaCasse said park security has been checking but noted most events end at 10:00 p.m. as we only lease a shelter until 11:00 p.m. She added that residents will likely call if there are any concerns although she has not heard of any issues.

Motion by Councilmember Schmidt, seconded by Councilmember Freeburg, to approve revision to City Policies: 2013-01 Park Facility Rentals and Reservations and 2013-02 Park Facility Rental for Performance Arts Events.

Vote taken. All ayes. Motion carried.

12. UPDATES AND REPORTS

12.1 Quarterly Financial Report.

Ms. Yager shared a staff report with background information to the Council stating that according to City Charter the Finance Department is required to provide the City Council and City Manager with second quarter financial reports. Fiscally conservative and in excellent financial health.

Councilmember Anderson asked for an update on the Castle Field donations. Ms. Yager said staff discussed the amounts held in escrow funds that could finish up some of the projects but said they do not have the funding to do the extensive projects but can do the fencing. She said they currently have \$70,000 and were wanting to receive \$250,000.

Mr. Lee said donations and sales raised \$72,000 and Phase III improvements cost a little more than \$200,000 so they are scaling back on Phase III and just doing the paver bricks and donor boards and focusing on more functional improvements and less aesthetic improvements.

Councilmember Anderson asked if the opportunity to use the park for an amateur baseball league is still possible. Mr. Lee said there have been no further discussions in last 18 months but that the City would still be open to that possibility.

Councilmember Anderson asked if we are pursuing the league. Mr. Lee said not at this time as it was left to them to contact the City if interested.

Councilmember Anderson referred to the increased personnel and police activity in the parks and if it is working. Mr. Lee said he believes the efforts are working, adding Anoka has become very busy with more visitors at the parks and downtown and said the City hired one full-time police officer for downtown patrols and two full-time security officers with an additional two coming for the downtown area and parks.

Councilmember Anderson asked about the results. Councilmember Weaver said he feels these efforts are making a massive impact.

Mayor Rice said these are very appropriate questions for a financial report.

Councilmember Weaver said it would be a good idea to have the Police Chief at Open Forum to share what the City is doing towards these efforts.

12.2 Tentative Agenda(s).

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

12.3 Staff and Council Input.

Councilmember Freeburg thanked everyone involved with Riverfest and the Home and Garden Tour.

Councilmember Schmidt referred to an article in the *Star Tribune* about Anoka hiring its first community development director and how the City is making development a priority and producing lots.

Councilmember Weaver referred to the 500-year rain event up north and how all the water is coming into the rivers. Mr. Lee shared that the Mississippi River has crested in St. Cloud will crest in Fridley tomorrow and that while Anoka does not have a gauge we should in the future as we are up four feet over the typical pool elevation. He said the Rum River is 1.5 feet higher and has crested in Milaca but is still going in St. Francis but should crest by Wednesday and then recede.

Councilmember Weaver said he attended a meeting with Anoka County water patrol as well as Hennepin County, Champlin, Coon Rapids, and Brooklyn Park and there needs to be a larger conversation about slow-no wake. He said it is complex because of so many jurisdictions but needs to be discussed.

Mr. Lee said the DNR made it very onerous with regards to locations of docks and boulders and that they could hire a consultant but it would be very expensive.

Councilmember Freeburg suggested a no wake zone in Anoka County only as a way to expedite this effort.

Councilmember Anderson said the lack of river gauge is important and we should find grant funds to obtain one. Mr. Lee said the County will research as well as us but noted they cost approximately \$80,000-\$100,000 with \$5,000 annual maintenance.

Mayor Rice said he thought there was a way to measure the water levels at Peninsula Point. Councilmember Weaver said we had one there but it had to be operated manually and when it failed it was not replaced.

Mayor Rice asked how high the crest will be. Mr. Lee said he thought it could crest at seven feet but was not sure.

Mr. Lee said staff submitted the federal grant application for Highway 10 which was for \$7 million for the total \$33 million project for 2021. He said we will know later this year if successful and if so will send a press release to the businesses to help prepare for the construction.

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: 8:45 p.m.

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

Approval Attestation:

Amy T. Oehlers, City Clerk