

**REGULAR MEETING OF THE ANOKA CITY COUNCIL
ANOKA CITY HALL
CITY COUNCIL CHAMBERS
SEPTEMBER 6, 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, and Weaver.

Staff present: City Manager Greg Lee; Deputy Community Development Director Doug Borglund; Finance Director Lori Yager; Police Chief Phil Johanson; Public Services Supervisor Lisa LaCasse, Public Works Superintendent Mark Anderson.

Absent at roll call: Councilmember Schmidt.

3. COUNCIL MINUTES

- 3.1 Minutes of August 8, 2016, Worksession.
Minutes of August 15, 2016, Worksession.
Minutes of August 15, 2016, Regular Meeting.

Motion by Councilmember Weaver, seconded by Councilmember Anderson, to waive the reading and approve the August 8, 2016 Worksession, August 15, 2016, Worksession and August 15, 2016, Regular Meeting minutes.

Vote taken. All ayes. Motion carried.

4. OPEN FORUM

- 4.1 Proclamation; Constitution Week, September 17-23, 2016.

Mayor Rice said annually the City proclaims the week of September 17 through 23 as Constitution Week in the City of Anoka. Barb Thurston of the Daughters of the American Revolution (DAR) shared history through a quiz about the Constitution and accepted the proclamation on behalf of the DAR.

- 4.2 Resident(s) Request Related to Snowmobiling (Jim Way and Charlie Germinaro).

Jim Way and Charlie Germinaro, Anoka, shared how the 9th grader from Anoka High School would like to be able to snowmobile to/from school and asked the

Council to consider amending the ordinance to allow snowmobiles in the right-of-way.

Councilmember Weaver thanked Mr. Way for his mentoring and Mr. Germinaro for his presentation and said he will be supportive of this ordinance amendment when brought forward.

Councilmember Freeburg clarified the City can allow use of the right-of-way through an ordinance amendment.

Mayor Rice suggested using another path instead of the right-of-way.

Councilmember Weaver said the right-of-way would be the easiest way for Mr. Germinaro and asked for input from Public Works. Public Works Superintendent Mark Anderson said there is ditch on both sides of County Road 116 and agreed this would provide a nice path to ride snowmobiles and noted this could be a future trailhead as well.

Council directed staff to bring the amendment forward at the next Council meeting.

4.3 Downtown Security/City-Wide Activity.

Police Chief Phil Johanson gave an update on downtown security and other City-wide activity, stating feedback from the public has been extremely positive. He shared how they have made some arrests and cited people for ordinance violations such as loitering after hours and is an example of good community policing.

Rick Ritter, Two Scoops Ice Cream, said they have no concerns during business hours but have found people sleeping under their protected entrance on more than one occasion. He added customers from neighboring cities have commented to him about Anoka's vagrancy and their perception that this activity brings crime and is unsure how to fight that impression without eliminating the problem.

Councilmember Weaver referred to all the business owners in Anoka and said we cannot fail in this effort. He thanked Mr. Ritter for sharing his concerns because the businesses are very important to the City, adding customers will not complain but instead will not return.

Councilmember Freeburg agreed, stating we worked hard to beautify Anoka but some people are detrimental to the City and we are trying to stop this activity.

Mr. Ritter said while they have had no problems with vandalism he has had to call about people sleeping and having to clean up after them.

Mayor Rice said some of the activity stems from boredom and some from vagrancy, adding the Council has taken a beating lately regarding its stance on

homelessness. He said the City is doing as much as we can to help people find their way out of homelessness and appreciates the work our shelters are doing in helping them find solutions and while we support that plan some still choose not to use the resources. Mayor Rice said while we do not know the solution we are providing protection and helping to move people along.

Mr. Ritter said he agrees there is a difference between youth who are making trouble and those who are homeless but said the perception is that they are one in the same.

Tim Koch, Mad Hatter, thanked the Council and police for their work towards finding a solution to this problem. He shared about a recent incident where he and his wife were made uncomfortable by some youth on the street and said it is important to find a solution.

Liz Koch, Mad Hatter, said perception is a problem and that she is no longer comfortable encouraging out of town customers to stay and shop in Anoka because of these problems. She said some people just want to be on our streets and harass customers and encouraged people to call the police every time they have a concern.

Chief Johansen shared the juveniles that caused the incident with Mr. and Ms. Koch have been charged with disorderly conduct.

Ashley Hoff, 10K Brewing and Communications Chair of Discover Anoka, said she sees these issues at all hours of the day and night and that it appears there are a couple groups of youth who continue to cause trouble that needs to be addressed by citing them daily. She said while she appreciates the police more is needed by actually walking the streets and being more of a presence. Ms. Hoff thanked the Council for passing the recent drug paraphernalia ordinance and while that should help more police presence is needed.

Mike Ackerman, Ackerman Acupuncture, said his business is located above Redrum and shared how they have had to clean up their doorway on more than one occasion due to the youth presence and since tobacco shops are a main draw suggested an earlier closing time. He said the youth hang out playing loud music after midnight and agreed repeated citations would help.

Mayor Rice said he hoped with the start of school and soon winter that this will have an impact as well.

Councilmember Freeburg said each summer will be worse than the one before and as long as there is an organization in the City providing free supplies to youth this activity will continue.

Chief Johanson thanked the Council for the tools already in place and said they will review the suggestion of earlier closing times for tobacco shops.

Mayor Rice referred to a local establishment now open again who in the past sold only drug paraphernalia. Chief Johanson said the ordinance will go into effect September 12 but said he is not sure if this establishment will comply without a court action.

Councilmember Weaver inquired about ABLA and prohibited uses downtown. Deputy Community Development Director Doug Borglund said they have had discussions with ABLA about possible code amendments to get ahead of the curve regarding drug paraphernalia, adult use regulation, tattoo parlors and future marijuana dispensaries.

Mr. Ritter thanked law enforcement for listening and the great job they are doing but said this is a problem we all need to work together to solve.

Doug Jacob, Anoka, applauded the City on their efforts and said police have made an incredible difference compared to a year ago and agreed with some of the comments about the shelters and suggested using a drone with cameras and asking for identification to help accumulate warnings and arrests.

Tim Koch, Mad Hatter, asked if this is a problem because Anoka is the County Seat. Councilmember Freeburg said he feels there are many reasons but agreed the County Seat is one of the reasons.

5. PUBLIC HEARING(S)

- 5.1 Issuance of an On-Sale, Sunday and 2 a.m. Liquor License to B&B Holding Company, dba; Courtside Bar 7 Grill, 227 Jackson Street.

RESOLUTION

City Manager Greg Lee shared a staff report with background information to the Council stating a new business owner, Brandon Besch, is taking over Courtside Bar & Grill. The new Licensee will be B & B Holding Company and will remain operating under the dba; Courtside Bar & Grill, 227 Jackson Street. They have applied for an On-Sale Intoxicating Liquor, Sunday Liquor & Special 2 a.m. License. The licensed premises will include the exterior patio areas. Staff is in the process of conducting the necessary background investigations and so far, no concerns or objections have been expressed. Issuance of these licenses will be contingent upon successful background investigations.

Mayor Rice opened the public hearing at 7:58 p.m.

Being no comments Mayor Rice closed the public hearing at 7:58 p.m.

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

Councilmember Weaver inquired about special 2 a.m. license requirements. Chief Johanson said a license holder has to provide extra security in order to stay open until 2 a.m. and noted license holders do not have to stay open until 2 a.m. each day if they so choose. He added there are no police concerns with Courtside and said they run a good operation.

Motion by Councilmember Anderson, seconded by Councilmember Weaver, to adopt a resolution approving the issuance of an on-sale intoxicating liquor and Sunday liquor license to B & B Holding Company, dba; Courtside Bar & Grill, 227 Jackson Street Anoka, Minnesota.

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

Brandon Besch, Anoka, thanked the Council and said he and his partner are taking over the business from his father and may be implementing menu changes in the future.

Motion by Councilmember Weaver, seconded by Councilmember Anderson, to adopt a resolution approving the special 2 A.M. license to B & B Holding Company, dba; Courtside Bar & Grill, 227 Jackson Street Anoka, Minnesota.

Upon a roll call vote: Mayor Rice, Councilmembers Anderson, Freeburg, 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 6.7.

Mayor Rice thanked Commissioner Lynn Hopkins for her service to the City on the HRA and other Commissions and encouraged residents to apply for this and other vacancies on the City's Boards and Commissions.

- 6.1 Approved Verified Bills.
- 6.2 Revising and Setting Council Calendars.
- 6.3 Setting Public Hearing for Assessment of Services.

- 6.4 Issuance of Temporary On-Sale Liquor Licenses; Anoka Lions Club, at Anoka County Fairgrounds, September 10, 2016 (CenterPoint Cook-Off and Car Show) and September 15-18, 2016 (MRVS Camping Show).
- 6.5 Cancellation of Liquor Licenses for CEH Investments; dba; Courtside Bar & Grill (change in ownership).
- 6.6 Acceptance of Resignation from Housing and Redevelopment Authority; Lynn Hopkins.
- 6.7 Approving a Senior/Disabled Deferment for Sherill L. Betlach, 854 Brisbin Street.

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 2; Home Occupations. (2nd Reading)

ORDINANCE

Mr. Borglund shared a staff report with background information to the Council stating this is the second reading of the proposed amendments to the home occupations section of the zoning ordinance. The only changes since the first reading are some minor text and reference updates throughout the division of the zoning ordinance being updated, which the City Attorney suggested to be changed at the same time that the home occupation amendments are approved.

Motion by Councilmember Freeburg, seconded by Councilmember Anderson, to hold second reading and adopt an ordinance Amending Chapter 74; Article V, Division 2; Home Occupations.

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

RES/Approving Summary Publication; Chapter 74, Article V, Division 2; Home Occupations.

RESOLUTION

Mr. Borglund asked Council to adopt the ordinance providing for summary publication of the ordinance to save publication costs.

Motion by Councilmember Freeburg, seconded by Councilmember Anderson, to adopt a resolution approving summary publication; Chapter 74, Article V, Division 2; Home Occupations.

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

8. PETITIONS, REQUESTS AND COMMUNICATION

None.

9. ORDINANCES AND RESOLUTIONS

- 9.1 RES/ Issuance of an On-Sale, Sunday and 2 a.m. Liquor License to B&B Holding Company, dba; Courtside Bar 7 Grill, 227 Jackson Street.

ACTED UPON AFTER PUBLIC HEARING

- 9.2 ORD/Amending 2016 Master Fee Schedule; Parade seats and Zoning/Street Maps (1st Reading)

Public Services Supervisor Lisa LaCasse shared a staff report with background information to the Council stating in an effort to help meet the seating needs of spectators for the Grand Day Parade Public Services staff has put together a parade seating program for the Halloween Parade. The City will be selling a limited number of tickets for bleacher seating that will be placed in 2 locations on the parade: on the north side of Main Street at First Avenue and on the south side of Main Street at Third Avenue. Tickets are \$5 each for general seating on the bleacher and seats will not be assigned. Each bleacher will also have a designated number of seats reserved for purchase by individuals with limited or restricted abilities and all sales are final. Ms. LaCasse added that since staff is recommending this change Public Services is also requesting a change in the Zoning/Street Maps sections to amend the fees for maps.

Mayor Rice commented the advantage of bleacher location on 3rd Avenue is because this is where the judges are station as well a near the food.

Ms. LaCasse noted there will be an online purchase fee and that tickets can be purchased over the telephone and in person at City Hall and that they hope to sell out long before the parade.

Councilmember Anderson asked how these seats will be publicized. Ms. LaCasse said they will put a notice in the City newsletter and on social media and that a newspaper article will help make people aware of the ordinance change regarding chair placement as well as these bleacher seats. She said the seats will be general admission on a first come first serve basis.

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

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

9.3 RES/Recommended Approval of an LG214 Premise Permit; Climb Theatre at Pizza Man.
RESOLUTION

Mr. Lee shared a staff report with background information to the Council stating the City has received an LG214 Application from Climb Theater Inc. requesting that they be allowed to obtain a Premise Permit to operate gambling at Pizza Man, 231 E Main Street. He said they advertised for other local organizations but no one else was interested so staff is recommending this approval.

Motion by Councilmember Freeburg, seconded by Councilmember Weaver, to adopt a resolution recommending the issuance of a State issued LG214 gambling license and premise permit for Climb Theater, Inc., at Pizza Man, 231 E Main Street, Anoka, Minnesota.

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

9.4 ORD/Approving Lease Agreement with Beehive Partners, LLC; City's Use of Parking Lot at 1807 1st Avenue. (2nd Reading)
ORDINANCE

Mr. Lee shared a staff report with background information to the Council stating on June 20, 2016, staff came before the City Council asking for approval of a property exchange with the Anoka HRA. The parcels approved in the exchange were 1807 First Avenue and 2810 Fairoak Ave. Since that time, the closing has taken place and ownership has been exchanged not only by the City and HRA, but also in conjunction with Walker Methodist and Beehive Partners, LLC. At the time of approval, the Council strongly encouraged staff to come to terms with Beehive Partners, LLC to allow for public parking in the lot located at 1807 First Avenue until future redevelopment of the site occurs. Staff worked with our City Attorney to draw up a lease agreement and Beehive Partners, LLC has agreed to the terms of the lease.

Motion by Councilmember Weaver, seconded by Councilmember Anderson, to hold second reading and adopt an ordinance approving a lease agreement between Beehive Partners, LLC and the City of Anoka.

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

9.5 RES/Reauthorizing Membership in the 4M Fund for Bond Proceeds.
RESOLUTION

Finance Director Lori Yager shared a staff report with background information to the Council stating the City of Anoka issued storm water bonds. The proceeds of these bonds are to pay for storm water projects in 2016 and in 2017. Bond issuers are required to track payments and earnings of bond proceeds. The 4M Fund offers services which allow staff to do that. It holds the proceeds of the bonds in a separate fund which tracks earnings and payments of the bond proceeds. This allows staff to have detailed records for reporting purposes. The resolution allows the 4M fund to invest the bond proceeds in investments authorized in the City's investment policy, based on the projected use of the bonds proceeds.

Motion by Councilmember Freeburg, seconded by Councilmember Anderson, to adopt a resolution reauthorizing membership in the 4M Fund.

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

9.6 RES/Adopting 2017 Proposed Budget and Preliminary Tax Levy.
RESOLUTION

Ms. Yager shared a staff report with background information to the Council stating the 2017 budget process began in June and is based on Council directives and the 2016 goal session. The Council has reviewed the 2017 budget, as proposed by the City Manager, at several meetings in August. The proposed 2017 budget for all funds excluding the HRA component unit is \$63,906,115, which is a (1.4%) decrease from 2016. The 2016/2017 levy is proposed to be set at \$6,641,230. This is down (\$140,840) from the staff proposed levy. Ms. Yager said they arrived at the lower levy by eliminating a transfer to the building capital fund, postponing pool tile replacement and Brisbin Park irrigation, reducing the projected fire budget, slight increase in state aid, reducing IT service charges and reducing some wage projections. The total levy is proposed to be an increase of \$187,755 or 2.91% above the 2016 levy.

Council thanked Ms. Yager for all her work on the budget and confirmed that the document will be posted on the City's website.

Motion by Councilmember Freeburg, seconded by Councilmember Anderson, to adopt a resolution relating to adoption of a preliminary 2017 budget and certifying a proposed property tax levy collectible in 2017, and setting public hearing dates for December 5 and December 6, 2016 if necessary.

Councilmember Weaver said his goal is always a zero levy increase and shared how the month of August is spent on budget discussions and that his hope is that we can do even better before the final budget is adopted.

Mayor Rice said there are likely 30-35 employees involved in the budget process and that every dollar spent is accounted for and used responsibly and said he appreciates the efforts of all towards the budget goals.

Councilmember Weaver said he was pleased that staff was able to make even more cuts since the beginning of the process but hopes to see even more in December.

Councilmember Freeburg noted the City has held back from improvements and purchases in the past but that we may not be able to do this much longer.

Mayor Rice noted that taxes are almost the same as they were in 2007. Ms. Yager agreed, stating property values now are about the same as they were in 2007 and that residents are paying the same taxes as back then which is remarkable.

Councilmember Freeburg commented that we have made a large amount of improvements too since 2007 which is remarkable as well.

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

9.7 RES/Consenting to the HRA Adopting a Tax Levy Collectible in 2017.
RESOLUTION

Ms. Yager shared a staff report with background information to the Council stating the City Council must consent to any HRA levy prior to its becoming effective as required by Minnesota Statutes Section 469.033. The HRA has adopted the proposed levy to be \$230,000 which is approximately the maximum levy allowable. It is \$10,100 more than the 2016 levy or a 4.6% increase. The HRA levy will be used to accomplish the goals of the authority and in furtherance of its housing and redevelopment plans. The maximum levy allowed for the Housing and Redevelopment Authority is 0.0185 percent of taxable market value, or approximately \$234,200.

Motion by Councilmember Weaver, seconded by Councilmember Freeburg, to adopt a resolution consenting to the Housing and Redevelopment Authority in and for the City of Anoka adopting a 2016 tax levy collectible in 2017.

Mayor Rice noted like the Anoka Lions the HRA does good things through their service and work in the community and that every dollar is an investment in the City.

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

10. UNFINISHED BUSINESS

None.

11. NEW BUSINESS

11.1 Amending City Policy; #2012-01; Investment Policy.

Ms. Yager shared a staff report with background information to the Council stating staff is recommending a change in the investment policy (#2012-01) to clarify how investments are diversified. The recommendation removes the wording which refers to diversification of investments among a variety of financial institutions and broker/dealers as diversification is by security type and the actual institution or broker/dealer is not relevant.

Motion by Councilmember Freeburg, seconded by Councilmember Anderson, to approve amending City Policy #2012-01, Investment Policy.

Vote taken. All ayes. Motion carried.

12. UPDATES AND REPORTS

12.1 Tentative Agenda(s).

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

Councilmember Weaver shared that on September 3 the first Water Fowl Hunt was held at the Anoka Nature Preserve which included two World War II veterans. He thanked all the volunteers that helped make the event possible.

Councilmember Freeburg shared a concern about the amount of water in Bonnell Field. Mr. Lee explained how the drainage system works and said it appears to be working exactly as designed by holding the water first and then draining from the field but he will confirm that there are no issues.

Mayor Rice asked if there is any risk of someone getting injured from suction in the storm sewer. Mr. Lee said there are grates in place to prevent that from occurring.

13. ADJOURNMENT

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

Vote taken. All ayes. Motion carried.

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Time of adjournment: 8:50 p.m.

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

Approval Attestation:

Amy T. Oehlers, City Clerk