

**REGULAR MEETING OF THE ANOKA CITY COUNCIL
ANOKA CITY HALL
CITY COUNCIL CHAMBERS
MARCH 20, 2023**

1. CALL TO ORDER

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

2. ROLL CALL

Present at roll call: Mayor Rice, Councilmembers Scott, Skogquist, Weaver, and Wesp.

Staff present: City Manager Greg Lee; Public Services Director Mark Anderson; Police Chief Eric Peterson; Community Development Director Doug Borglund; Finance Director Brenda Springer; Assistant City Engineer Ben Nelson; City Attorney Scott Baumgartner; Electric Utility Director Del Vancura.

Absent at roll call: None.

3. COUNCIL MINUTES

3.1 March 6, 2023, Regular Meeting.

Motion by Councilmember Skogquist, seconded by Councilmember Scott, to approve the March 6, 2023, Regular Meeting as presented.

Vote taken. All ayes. Motion carried.

4. OPEN FORUM

4.1 Swearing in of Officer Joel Melin and Police Activity Update.

Police Chief Eric Peterson introduced Officer Joel Melin and issued his oath of office. He shared Officer Melin's background including as Sergeant in the U.S. Army during the Iraq War and Anoka Police Explorer and CSO. He said he spent a significant amount of time in Iraq and among the many medals was awarded the Army Commendation with Valor and was pleased to welcome Officer Melin to the department.

Mayor Rice said the City was proud to have Officer Melin on board and said it was good to have former Anoka staff wanting to return.

Councilmember Weaver congratulated Officer Melin and said having an Explorer and CSO return for full-time employment as an officer speaks to the internal

training and leadership continuing in the department and offered the Council's support.

Councilmember Skogquist asked why Officer Melin chose Anoka. Officer Melin said he loved the small family community and respects its culture.

Councilmember Scott congratulated Officer Melin and shared he was an Iraq War veteran as well and thanked him for his service.

Chief Peterson shared an update stating the Law Enforcement Training Center will be certified for use tomorrow and that staff was working on a rental schedule for other area departments to use for training. He said they were preparing for two retirement and the resulting vacancies that would be posted soon, including the promotional process to backfill positions. He shared that events were manageable during St. Patrick's Day celebrations although there were some DWIs issued then added that 2022 calls for service were the second highest in history. He noted the Ferry Street bridge has closed as part of the Highway 10 reconstruction project and that staff was monitoring to understand traffic impacts then shared traffic accident history during the reconstruction project to date which had not increased averages overall which is great.

Councilmember Weaver spoke about the difficulty to turn left on West Main Street and requested the Police Department stay focused as the roundabout was difficult to navigate with speed. Chief Peterson said they expected changes soon by MnDOT which should slow speed coming off Highway 10.

Mayor Rice suggested adding more flashing lights at the roundabout to warn drivers to slow down. Assistant City Engineer Ben Nelson said staff was working with MnDOT to address this concern.

4.2 Highway 10 Anoka Construction Update.

Mr. Nelson shared an update regarding Highway 10 construction.

Councilmember Weaver inquired about the Ferry Street bridge closure and traffic detours. Mr. Nelson said staff was focusing on potential cut through traffic in the area and how to address then shared other ways to mitigate traffic impacts throughout the area.

Dr. Evans, 1186 Benton Street, shared comments about crossing the roundabout near the cemetery and traffic impacts and concerns with the roundabout being too narrow then shared a communication tool that was distributed that included a photo of the road taken at night and stated it was not effective.

OTHER INFORMATION UNDER OPEN FORUM

John Kysylyczyn, Garbage Haulers for Citizen Choice, shared two sample resolutions to address issues raised at the February worksession regarding seasonal road restrictions and single side of street waste container placement. He said adoption of these resolutions would reduce traffic and have no cost impacts to the City.

Councilmember Weaver asked if Ace Solid Waste had agreed to abide by the axle weight limit. City Manager Greg Lee said he had been working with Ace Solid Waste to determine if they were over axle weight currently and had requested more data but would follow up.

Councilmember Wesp asked if the City could move forward with the most recent adopted resolution to explore organized hauling. City Attorney Scott Baumgartner said he confirmed the resolution was valid short of entering into an actual contract until the ballot question results were complete.

Mr. Lee said staff will begin the process of notifying the public of the potential of organized hauling and contacting the four residential haulers to arrange for a worksession soon, adding all meetings would be open to the public.

5. PUBLIC HEARING(S)

None.

6. CONSENT AGENDA

Finance Director Brenda Springer noted one addition to verified bills to the Anoka County License Center Vendor #021615, Check #168526, in the amount of \$21,720.19 for \$20,723.83 for #23-01 Freightliner M2106 digger truck and \$996.36 for #23-02 Felling TRI 3379 trailer.

Motion by Councilmember Weaver, seconded by Councilmember Skogquist, to approve Consent Agenda Items 6.1 through 6.4 as amended.

Councilmember Weaver asked more about Item 6.4 project and the potential for a rope suspension bridge to access the inner area of the park. Mr. Nelson shared the trailhead coming off on City property and tree clearing the week of March 20 and trail connections into Ramsey to the Mississippi River Trail.

Mr. Lee said the suspension bridge could be added as a CIP item for costs and consideration.

- 6.1 Approve Verified Bills.
- 6.2 Revising and Setting Council Calendars.
- 6.3 U.S. Highway 10/169 Improvement Project; Approve Change Order Number 39.
- 6.4 U.S. Highway 10/169 Ramsey Gateway Project; Approve Right-of-Way Agreement with Anoka County Highway Department for the King's Island Trailhead Parking Lot and Area Improvements.

Vote taken. All ayes. Motion carried.

7. **REPORTS OF OFFICERS, BOARDS AND COMMISSIONS**

7.1 Planning Items:

- 7.1.A. RES/Approving a Development Agreement with Ryan Companies for Development of a Grocery Store at 7th Avenue and Bunker Lake Boulevard.

RESOLUTION

Community Development Director Doug Borglund shared a background report stating staff had drafted a Development Agreement between the City of Anoka and Ryan Companies U.S. Inc. which encompasses the construction of a two-phase 14.07-acre commercial Planned Unit Development and an 80,000 square foot grocery store facility along with all necessary site improvements in Phase 1 of the PUD on a 7.58 acre being sold to Ryan Companies U.S. Inc. from the City of Anoka. He said should Council decide to accept Ryan Companies US Inc.'s proposed revisions to the development agreement, the resolution approving the agreement also authorizes the City Attorney to work with Ryan Companies US Inc.'s attorney to make non-substantive revisions. If there are any changes that would alter the intent of the agreement, the development agreement would be brought back to the City Council for further review and consideration. He outlined details of the agreement that included the City being required to pay \$1,995,131.00 for construction of a new public road; the City would not receive reimbursement for the cost of the intersection/signal improvements on 7th Avenue of \$759,109.00 as originally agreed to in the Purchase Agreement; and the City entered into a Purchase Agreement to sell 14.07 acres for \$2,000,000 to Ryan Companies U.S. Inc. Mr. Borglund said that due to the construction of a new public road, there is a reduction of the land that would be sold, further resulting in a decrease in the final sale price, which if the Council agrees to move forward an amendment to the purchase agreement would be required.

Councilmember Weaver said he would not be supporting this project as proposed because the project needs to be for everyone and this is slanted towards Ryan

Companies which he will not do at taxpayers' expense. He said the signal should be for the taxpayers as well as the ponding and other aspects and why is it all being done for Ryan Companies. He shared his disappointment with the project and the need to protect the residents and said he will not support the agreement as proposed.

Mayor Rice shared comments about the cost variances that have resulted and the need for the City to prevail in the development.

Councilmember Wesp said he lived in the neighborhood and understood rising costs and that the development will be there for the next 30 years. He said the neighborhood understood development would happen, including a grocer, but as the project has evolved, they did not understand the traffic impacts and did not like how Ryan Companies said that would be the City's responsibility to pay for the signal. He said Ryan Companies needs to be good neighbors to the residents and would not support the agreement as drafted.

Councilmember Scott outlined \$3 million of public improvements with being \$1 million in the hole and asked about the timeframe to pay this back and generate additional tax base. Ms. Springer responded the development's \$125,000 in City taxes would result in approximately 10 years.

Councilmember Skogquist agreed with some aspects but noted the City has a municipal liquor store and a study to explore relocating the store would be \$500,000 off an excess site which would be \$600,000-\$700,000 per year. He noted while the City may have moved the end goal throughout the process he felt the signal did not just serve the City as a whole then spoke about land value being 15-20% higher than when the process first started. He shared other property values in the immediate area and the need to find revenue without impacting the taxpayers but still felt there would be a benefit to the City for this project.

Mayor Rice agreed there is a benefit through tax base but that we need to be honest regarding the development agreement.

Councilmember Weaver agreed with the liquor store analogy but added it will still cost a lot to construct the building while waiting for it to be profitable.

Councilmember Skogquist said the agreement speaks about leasing and building a site back and asked if there is more value on upfront or costs spread over time.

Patrick Daly, Ryan Companies, thanked Council for their comments and noted there has been much discussion and the requested need for changes as this evolved. He said as much as they want to keep things progressing there should be a worksession to better flesh out discussions and best share concerns on both sides.

Councilmember Skogquist agreed with the suggestion of a worksession.

Councilmember Weaver said we need to share with Ryan Companies that this is not a good proposal and was only benefitting Ryan Companies and that we should not be afraid to say no.

Mr. Daly said he hoped that after all the years in front of Council that they felt he was a trusted partner and collaborative and apologized but said that was not the case and felt he could clear the air.

Councilmember Weaver commented that Ryan Companies legal team made too many redline changes to the agreement that only benefitted them and not the City.

Councilmember Wesp believed Mr. Daly has been forthright but did not think this current project was right for the City or neighborhood and agreed there needed to be more of a collaborative partnership where they listened to the City's concerns as this project was radically changing the look of the neighborhood. He said he also felt the City was being strong-armed but was willing to go back and further discuss.

Motion by Councilmember Skogquist, seconded by Councilmember Scott, to table adoption of a resolution approving a development agreement with Ryan Companies for development of a grocery store at 7th Avenue and Bunker Lake Boulevard to further discuss at the next worksession.

Councilmember Wesp suggested a friendly amendment to schedule the worksession for April 3 at 5:00 p.m.

Ross Peters, 4309 Parkview Circle, reviewed the City's comprehensive plan including the City's character and other elements and how the pandemic has changed shopping patterns. He said it was important to retain Anoka's legacy and promote a balanced community growth to strengthen tax base, provide employment opportunities, and others. He asked if the site was debt free and owned and said if there was no rush to sell the property to clear debts it was okay to wait then asked if the City could operate a grocery store and how this could be a community store with both attached. He said when they first came to the notion of a grocery store, they were not in favor of the east/west road because of the expense but was in support of a signal but noted as things progressed the store became a 24-hour grocery store which he was not in favor of. He spoke about the future lot for a carwash and how 80,000 square feet is a lot of space and suggested other store concepts such as Aldi's or County Market and other alternatives such as a community center, high-end restaurant, or splash pad that could connect to the downtown area and encouraged the Council to consider other options than a grocer.

Mr. Lee summarized the topic would be included on the April 3 worksession for future action on April 17 then noted the stormwater pond proposal and the need to review infiltration rates that would include no need for walls and fencing that would result in a savings of \$493,000.

Councilmember Scott asked if the item could be placed on the April 3 meeting after the worksession. Mr. Baumgartner said that could occur.

Mr. Daly agreed that because of project timelines it would be helpful to move the item forward to April 3 subject to all attorney approvals.

Mr. Baumgartner suggested Mr. Daly come with the authority to make any changes that may arise as a result of the worksession.

Upon a roll call vote: Mayor Rice, Councilmembers Scott, Skogquist, Weaver, and Wesp voted in favor. Motion carried.

7.1.B. RES/Ryan Companies Final Plat.

RESOLUTION

Motion by Councilmember Weaver, seconded by Councilmember Skogquist, to table consideration of adoption of a resolution for approval of a final plat (Rum River Shores North Second Addition) to the April 3, 2023, worksession at 5:00 p.m.

Upon a roll call vote: Mayor Rice, Councilmembers Scott, Skogquist, Weaver, and Wesp voted in favor. Motion carried.

8. PETITIONS, REQUESTS AND COMMUNICATION

None.

9. ORDINANCES AND RESOLUTIONS

9.1 RES/2023 Street Renewal Project – Franklin Area Phase I; Approve Plans and Specifications and Set a Bid Date.

Mr. Nelson shared a background report stating on March 6, 2023, City Council held the public improvement hearing and assessment hearing for the 2023 Street Renewal Project - Franklin Area Phase I. After the hearings, Council adopted a resolution ordering the project, authorizing the preparation of engineering plans and specifications and authorizing advisement for bid. Second, the Council passed a resolution adopting the assessment roll. He shared the streets as part of the proposed project and outlined the new infrastructure changes in detail. He said

staff was requesting that Council set a bid date for April 4 then outlined the proposed funding and project cost totaling \$3,124,000.

Motion by Councilmember Wesp, seconded by Councilmember Weaver, to adopt a resolution for 2023 Street Renewal Project – Franklin Area Phase I; Approve Plans and Specifications and Set a Bid Date.

Councilmember Weaver said the neighborhood was excited to see this project start.

Mayor Rice spoke about Safe Routes to Schools and suggested including potential sidewalks around the elementary school and asked if we are bonding for the entire project. Mr. Nelson reviewed the project which was broken down so we do not have to bond so much but only need one bond.

Councilmember Weaver said with the change of use in Franklin School would this be just as important as when the use changes. Mr. Lee said the use will not qualify for Safe Routes to Schools. Mr. Nelson agreed but said staff was working on the full project to address.

Mayor Rice said the City owns property at the north end of State Street and asked if it would be a buildable lot and if not, should it be abandoned. Mr. Lee said the lot could be used for snow storage.

Upon a roll call vote: Mayor Rice, Councilmembers Scott, Skogquist, Weaver, and Wesp voted in favor. Motion carried.

9.2 RES/Accepting 2022 Donations and Contributions.

Ms. Springer shared a background report stating Minnesota Statute Section 465.03 requires that municipalities accept all contributions, donations and grants through adoption of a resolution. Annually, the City Council will be presented with a resolution for adoption recognizing and accepting donations and contributions from various contributors for a variety of projects or expenditures, along with the conditions, if any, as established by the contributor.

Mayor Rice read the donations as presented and thanked everyone for their contributions.

Councilmember Skogquist added that Anoka Lions had donated as well. Chief Peterson said the donation was likely to the Anti-Crime Commission and not the City directly.

Motion by Councilmember Scott, seconded by Councilmember Skogquist, to adopt a resolution accepting donations received by the City of Anoka in 2022.

Upon a roll call vote: Mayor Rice, Councilmembers Scott, Skogquist, Weaver, and Wesp voted in favor. Motion carried.

9.3 RES/Budget Rollovers and Amendments.

RESOLUTION

Ms. Springer shared a background report stating the City Council has the authority to revise the 2022 budget by transferring unencumbered appropriations from one office, department or agency to another; by increasing the total appropriations to the extent of actual revenues, by appropriating for unexpected emergency expenses or by carryover for incomplete projects. After reviewing the actual activity for the year ending December 31, 2022 and speaking with department heads, the resolution describes the proposed amendments to the 2022 budget and the 2023 budget respectively. The resolution does impact the overall total budgeted expenditures in 2022. It also impacts the overall budgeted expenditures in 2023. Expenditure budgets in the general fund are being reallocated between departments within the fund. The total budget requested for carry over is \$1,222,000.00 and consists of Street Maintenance cost, Green Haven Elevator extension and 3rd floor bathrooms, carpeting in City Hall, replacing the City Hall roof, updates to the basement community room, Highland Park playground, the Ag Area master plan, John Ward Park, Rum River Dam evaluation, a fairway mower for golf and two Garage Fund trucks a Salt/Bituminous Truck & Plow and an F550 dump truck, which are requested to be carried over for receipt and payment of asset or completion of the project in 2023.

Councilmember Skogquist inquired about the decrease in street maintenance and funds not spent. Public Services Director Mark Anderson said he was not sure but would follow up with a response but noted staff made up for many of the weekend events.

Mayor Rice said the difference was likely due to overtime during snow events as well as the amount of snow.

Motion by Councilmember Skogquist, seconded by Councilmember Scott, to adopt a resolution authorizing revision of 2022 budget department and carryover to 2023.

Upon a roll call vote: Mayor Rice, Councilmembers Scott, Skogquist, Weaver, and Wesp voted in favor. Motion carried.

10. UNFINISHED BUSINESS

Dr. Evans spoke about organized garbage hauling and the property on 7th Avenue and the sale of the lot north of City Hall and said he understood these topics would be on an

upcoming worksession. He spoke about involvement of removing members from discussion on the sale of property due to the abstention by Councilmember Weaver and asked questions about recusing from selling property to friends for \$1 then asked if the two people can be involved. He spoke about the property being in a TIF district and that this action should not occur as the Council needs to understand the impacts. Mr. Baumgartner responded there was no conflict of interest relative to the upcoming vote other than Councilmember Weaver who has and will continue to abstain.

Mayor Rice explained the use of a form Council uses for notifying about potential conflicts of interest.

11. NEW BUSINESS

None.

12. UPDATES AND REPORTS

12.1 4th Quarter Financial Report.

Ms. Springer shared the City's 4th quarter financial report. She outlined expenditures were up \$1.294 million from 2021 then outlined payroll for elections, increase in salaries, professional services, contractual, and capital. She reviewed the fund balance and enterprise funds in detail then shared general fund expenses. She outlined proprietary funds as well as fund balance then highlighted the City's internal service fund highlights and that the City continues to plan for Highway 10 and proposed capital improvements, adding the City continues to be in a strong financial position.

Councilmember Weaver inquired about fund balance Statute and shared the increased cost in Metro INet and suggested other options be considered. Ms. Springer said Charter states the City cannot be below 30% fund balance which is approximately \$2 million.

Councilmember Scott referred to macroeconomics and asked about insured totals overall. Ms. Springer with the 4M fund staff believes they have bonding up to the fund balance over the \$250,000 FDIC insurance.

12.2 Legislative Discussion and Updates.

Mr. Lee shared the opportunity to discuss any legislative updates.

12.2 Tentative Agenda(s).

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

12.3 Staff and Council Input.

Councilmember Weaver asked about the potential to defer CIP projects to direct funds to mill and overlay projects instead and asked that staff speak to potential assessments to address roads and fund balance as there may be some funds for direction into road improvements. Mr. Anderson said the City can start acquiring hot mix tomorrow which will be very beneficial to begin road repairs and said other options included using ARPA funds to address specific road concerns, adding staff will work to do its best to address final snow removal as well as spring road conditions.

Councilmember Weaver said we will have to be creative to address the road conditions, similar to the Green Haven entrance, then shared the flyer regarding the Rum River Dam project and work with the Legislature to address as this bill is moving forward.

Councilmember Skogquist shared an electric utility update that included a bill for renewable and carbon-free energy in 2040 in Minnesota and options for moving forward.

Councilmember Weaver said the energy work is very unique and included include providing enough electricity to operate City Hall.

ADJOURNMENT

Councilmember Wesp made a motion to adjourn the Regular Council meeting.
Councilmember Scott seconded the motion.

Vote taken. All ayes. Motion carried.

Time of adjournment: 9:20 p.m.

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

Approval Attestation:

Amy T. Oehlers, City Clerk