

**WORKSESSION OF THE ANOKA CITY COUNCIL  
ANOKA CITY HALL  
CITY COUNCIL WORKSESSION ROOM  
JANUARY 26, 2026**

**1. CALL TO ORDER**

Mayor Skogquist called the worksession meeting to order at 5:06 p.m.

**2. ROLL CALL**

Present at roll call: Mayor Skogquist, Councilmembers Campbell, Rostad, Scott, and Weaver.

Staff present: City Manager Greg Lee; Assistant City Manager Amy Oehlers; Community Development Director Doug Borglund; and Assistant City Engineer Ben Nelson.

Absent: None.

**3. COUNCIL BUSINESS and/or DISCUSSION ITEMS**

**3.1 Discussion: Chapter 10, Article IV, Charitable and Legalized Gambling.**

Assistant City Manager Amy Oehlers shared a background report stating the Council requested another work session to discuss the charitable and legalized gambling ordinance. She said elements to consider included eligible organizations, eligibility waiver, establishments that do not desire to have any eligible organizations conduct gambling at their establishment, and other options. She shared the current proposed language and the waiver option Council could consider, then asked if the Council wanted to require a copy of the lease the organization has with the establishment, and if they wanted to determine how to handle a situation where an establishment does not want to work with an organization that meets the City's eligibility requirements.

Josh Jungling, Anoka Ramsey Athletic Association (ARAA); Zach Menter, Anoka Legion; Matt Satzinger, Anoka Hockey Association; Rick Wesp, Anoka Ice Arena; Doug Hookom, Anoka American Legion; Patrick Vevea, Anoka American Legion; Lori Allert, Anoka American Legion; Jason Abelser, Jeannie Conant, Anoka American Legion; Kenneth Conant, Anoka American Legion; Cassie Donstar, ARAA; and Simon Schara, Anoka Hockey, introduced themselves to the Council.

Josh Jungling, ARAA, said the majority of their youth will attend Anoka High School and felt they were an Anoka organization. He said they put a lot of money back into the City, which was more than 10% now, and wanted to ensure they fit

into the Council's proposed gambling structure. He said most of their meetings were held at Green Haven, and if they were not open, and if not held at one of their licensed organizations. He asked if anyone on the Council didn't think they were an Anoka association as defined in the Tier 1 definition, noting they have a PO Box for their mailing address and not a building, but their organization's address was City Attorney Scott Baumgartner's business address only because he had served as their president for many years, and a physical location was required.

Zach Mentor, Anoka American Legion, shared concerns regarding the proposed tax and said that while the current proposal would be acceptable, anything higher would not be good. He shared concerns about the necessity of this ordinance and how much money will really stay in Anoka.

Matt Satzinger, Anoka Hockey, said they didn't own a brick-and-mortar space and used the ice arena for their space, and wanted to ensure they were considered a Tier 1 organization as well.

Rick Wesp, Anoka Ice Arena, shared that they had been around for many years and needed gambling proceeds to maintain and improve the rink, adding that their goal was to keep costs down as much as possible and that they currently provide many donations to Anoka.

Councilmember Scott said the Council wanted to ensure there were no unintended consequences, then reviewed the proposed ordinance and said he believed the primary goal was to ensure gambling profits provided a direct benefit to the City, close any loopholes regarding outside organizations not giving back to Anoka, and ensure the profits provide a direct benefit to the City. He said we can get there in different ways, but wanted to ensure we kept gambling proceeds as local as possible, and that one way to do that is implement a 10% contribution.

Mr. Jungling agreed with restricting outside organizations taking away from Anoka, but said the 10% contribution didn't have enough teeth to accomplish that, and said most organizations donate much more than 10% now.

Councilmember Rostad said the City needed to address the loopholes as well as the 10% contribution and the proposed .1% administrative fee. She said she felt the fee was a very nominal amount, but then said there appeared to be some mixed messaging regarding the brick-and-mortar location requirement. She said an address was required by the Secretary of State's Office (SOS) and asked if that mattered to the City as well. Councilmember Rostad noted ARAA pulls from other cities and that she didn't want to micromanage meeting locations, but said we need to decide why addresses matter. She said if organizations are making a good faith effort to meet in Anoka, that would be sufficient, and asked if organizations' addresses needed to be a business address. She said she understood the difficulty of City Attorney Scott Baumgartner's situation, as he's no longer the ARAA president, but his business address is still listed for ARAA.

Councilmember Rostad said an easy solution would be to require an organization's address to be in the trade area instead, and said that while that doesn't guarantee a license, it provides flexibility from the requirement of Anoka only. Councilmember Rostad said charitable gambling is a form of commerce and that the City shouldn't limit commerce, but just wants to restrict outside organizations from taking resources from Anoka.

City Manager Greg Lee noted the .1% administrative equates to approximately \$4,500 and should be covered by the organizations and not in the general fund through the taxpayers.

Councilmember Campbell said the address requirement was only put in place because of the waiver option and said if that was eliminated, the address wouldn't be as important.

Councilmember Weaver agreed that the Tier 3 waiver should be removed as it would eliminate the address requirement.

Councilmember Rostad noted the reason for this discussion was that a business wanted to expand its charitable gambling offerings and couldn't with their current organization, and that she didn't want to tell businesses whom they can partner with. She said while she preferred that businesses work with Anoka-based organizations, we are a small community, and that was not always possible.

Mayor Skogquist said this discussion would still be occurring regardless of the waiver requirement, noting other cities do this in different ways, and that while there was agreement to have the money go to Anoka, the trade area was restricted by Statute and the only way we can do this is to implement the 10% contribution. He noted it was hard to separate these two discussions because they are related, then shared Attorney Scott Lepak's suggestions from the Council packet, and said we should consider ways to require the contribution but incentivize organizations to get their funds back if they spend enough in Anoka. He said that by requiring Anoka organizations, we increase the odds of the proceeds being spent in Anoka.

Mr. Jungling said the City already receives our acknowledgment of our lease agreements when we submit for the premise permit, then spoke about the buyout clause and noted the Minnesota Gambling Board has our leases on file and didn't feel the City needed to require more paperwork.

Councilmember Campbell agreed the lease agreements were redundant and didn't need to be monitored by the City if the State was already doing this step.

Councilmember Weaver asked if the State dictated maximum lease amounts. Mr. Jungling explained that while there is a maximum lease amount, organizations have to pay that maximum in order to be in a location, because if not, there is always another organization willing to do so. He noted their organization pays

\$12,000 a month to lease 52 square feet, then said he disagreed with the comment regarding the City not telling businesses what to do because the organizations can't go to many other cities due to no reciprocity, which puts them at a disadvantage.

Mayor Skogquist spoke about the waiver process and said it appeared there was consensus for the proposed Tier 3 and Tier 2 waivers if in the trade area.

Councilmember Rostad agreed she was fine with eliminating Tier 2 but felt there should be an opportunity to get in on some level if in the trade area and not eliminate opportunities to contribute.

Councilmember Campbell said he was fine with eliminating Tier 2 if there was reciprocity with the other city.

Ms. Oehlers shared that Mr. Lepak interpreted that a residential address didn't qualify as the main physical office and noted the SOS didn't allow PO boxes as well.

Councilmember Rostad said it would not be equitable if one organization gets a business to agree to let them use their physical address for their organization while another cannot.

Councilmember Campbell said as long as they're meeting the Anoka requirements, he felt the brick-and-mortar requirement may be too difficult.

Mr. Jungling suggested changing an organization's address requirement from two years to five years to qualify as an Anoka organization.

Mayor Skogquist explained that this discussion started because an existing organization was going to be removed from a business to an outside organization, and that the request of the Council was protectionism. He said in theory we can say a business can do what they want, but then we're limiting current organizations.

Mr. Jungling said the goal is not hinder Anoka organizations, then asked if there is a way to provide them an exemption and waive the timeframe requirement, adding there needs to be a way to allow an Anoka organization to get into charitable gambling in their City.

Councilmember Campbell said that if we change the timeframe from two years, the maximum he would be willing to consider is five years to ensure they intend to be an Anoka organization.

Councilmember Rostad noted the timeframe requirement is already established in Statute and that all organizations are well vetted by the State, adding that the organizations already here can prove they are an Anoka organization.

Councilmember said expenditures in Anoka matter more than the physical office location.

3.2 Discussion: Policy on Charitable and Legalized Gambling Contribution of Net Profits to City Administered Fund.

Ms. Oehlers shared a background report stating that staff were directed to develop a policy on how the City would handle the proposed City-administered gambling fund. She shared the proposed policy in detail and asked for Council feedback.

Mayor Skogquist said he felt strongly about implementing the 10% contribution and creating a policy to give a portion of the funds back because the organizations not part of Anoka can still receive funding. He said we started with needing to tighten this up, and if done, will provide some give and take along with some type of benefit.

Councilmember Weaver asked how we are going to pick and choose the amounts awarded to each organization and said Mr. Lepak said the amounts need to be equal. He said the organizations are already willing to give money back to Anoka, and if we implement a 10% contribution, we'll actually get less funding.

Mr. Lee said it would be completely up to the City on what to do with the 10% contribution proceeds and said if an organization is already spending the majority of their proceeds in Anoka, it would not be needed, but if one organization was not, then that needed to be addressed.

Mayor Skogquist asked if it was possible to differentiate for organizations outside of the required contribution and suggested a policy, such as if an organization pays property taxes, they receive their contribution back, as the American Legion does. He said that for others who contribute 50% of their funds back to Anoka, they receive a different percentage back, which would be clearly outlined in the policy through specific criteria. He outlined the City of Blaine's process for distributing proceeds, which was based on Council rankings and allowed for leeway.

Mr. Jungling shared elements of what they are already doing for Anoka, such as donating to the Ice Arena, Anoka Anti-Crime Commission, Rockin' on the Rum, Vintage Fest, and others. He said the Anoka Legion contributes to Safety Camp, baseball, and scholarships, and the Anoka Ice Arena provides scholarships for hockey and girls' and boys' high school programs. He said ARAA donates to the ACBC Food Shelf, a bereavement fund, new fencing for Sunny Acres Park, and

tarps for Enloe Field. Mr. Jungling said all these contributions are way more than the 10% the City is intending to require.

Mr. Satzinger said this contribution won't be something the organizations will want to do, as it's taking money away from their donations already. He said they provide over \$500,000 back to their families by providing free ice time, equipment rentals, and other things, as well as supporting other important causes such as suicide prevention associations.

Mr. Mentor explained it was difficult to discuss this, knowing the Legion would be getting 100% of their contributions back, and said the organizations would be getting protections, but not without consequences, and that the City needs to decide if this decision is worth the administrative work that will be involved.

Councilmember Weaver complimented Mr. Satzinger for representing the City so well during the recent Anoka Hockey Day event.

Rick Wesp said their ice time rates were among the lowest in the State and that they were very proud of that fact.

Councilmember Rostad said this discussion is around equity and how there is no other way for other organizations to come in, and that having this 10% contribution allows others to come in and help build their organizations when the others are already so large.

Councilmember Scott said it is not worth it if there's no buy-in, but said it will help keep money local and close any loopholes. He said this proposal would meet the mission and the goal through a policy and be for the residents' benefit, and felt the work would be worth the effort if someone came in.

Mr. Vevea said he felt the government was controlling this too much and agreed with keeping the money here, but not throwing more money into the process this way, because charity was charity. He said the City receives lots of money now from property taxes, some of which is going to the municipal cannabis dispensary and not resulting in anything.

Councilmember Scott said they wanted to provide protectionism but agreed there were negative externalities to municipal liquor and cannabis, and this contribution requirement would help address that.

Ms. Conant shared the difficulties they will have with budget planning, not knowing if they will receive their 10% contributions back, and they support many youth events and scholarships, then noted that this plan doesn't help anyone in the first year.

Mayor Skogquist said whatever is implemented would be clearly outlined in a policy so that organizations can plan.

Councilmember Rostad added that any adopted plan would need time to implement, so organizations will have time to plan.

Ms. Oehlers said the draft policy suggested the contributions would be paid by December 31 of each year, and upon Council approval, refunds would be due back to the organizations by March 1 of each year.

Councilmember Weaver said he didn't support the 10% contribution as we were just moving money around and suggested instead that organizations that don't follow the rules of giving back to Anoka lose their gambling permit. He said this would avoid the bureaucracy and added that we need to trust our partners and neighbors because they will do a better job than we ever could.

Mayor Skogquist noted that the suggestion was not allowable because only the State can revoke a premise permit based on violating State laws.

A gentleman in the audience suggested creating a fine instead.

Mr. Jungling shared their 10% contribution would be approximately \$900 which was not a large amount but said they already put \$50,000 back into Anoka and didn't feel like the City should punish the organizations who are doing things right and felt this was paying for protection when they're just trying to give above and beyond as a sporting organization, the same as the other organizations. He added that if he lost a location to another Anoka organization, he would be fine with that, but didn't want to lose to an outside organization because more money would be lost than to Anoka.

Mayor Skogquist said the more protection create the more exclusivity there will be.

Mr. Jungling said that if the City does this, we have the option to reduce our donations, which could result in a net zero, because the money has to come from somewhere, and that this proposal would take away our choice.

Councilmember Campbell said we shouldn't rob Peter to pay Paul and said he would be fine with the organizations not giving back through the 10% contribution because the long-time organizations are already giving back now, and he felt this was the wrong direction for us to go. He said the organizations have been doing this fine already and noted this requirement will be a budgeting problem for them.

Councilmember Scott said we have to take the money in custody first to give it back by law, and that if an organization doesn't meet their goals, then we do the

10% requirement, but said if we don't get buy-in from the organizations, this may not be worth it.

Mr. Mentor said that while the City doesn't have the ability to revoke a permit, it can refuse to grant local approval, which would have the same effect.

Ms. Oehlers explained how premise permits are issued by the State and, once issued, are perpetual unless revoked by the State, and noted that while we have four organizations doing things correctly and others not, the City doesn't get to choose which organizations have to contribute.

Mr. Satzinger said he was concerned the 10% contribution would take away from youth programs, and if we don't have control over these funds, most will be taken from them. Mr. Lee noted they were already receiving funds from the City's Round Up program.

Mayor Skogquist shared ways these funds could be used, which included mental health services, gambling addiction services, and other examples.

Councilmember Scott spoke about how the State was going to allow cities to have 1% of cannabis proceeds, but this was taken away, so Anoka built its own dispensary to put positivity back into the City and use that money for items throughout the City, adding that charitable gambling proceeds were not going to fund the dispensary.

Cassie Donstar, ARAA, said the City was requiring the 10% contribution, but that we don't get to decide where it goes. Mayor Skogquist explained the concept and that charitable purposes are outlined in State law.

Mr. Hookom said that if implemented, they would want to know which organizations would receive the proceeds because they would likely decrease their contributions to them.

Councilmember Weaver explained how social workers can work with older residents who may have made poor decisions in life and how ARAA and Anoka Hockey work to get youth involved who may grow up and not make poor life decisions, and therefore supported the youth associations.

Councilmember Rostad noted social workers do much more than work with older residents, and that we need more of them, and said this doesn't need to be an either/or scenario, as she would like to help those in crisis and agreed with Mr. Hookom's suggestion to decrease contributions if implemented.

Mr. Mentor said the group hasn't discussed the .1% fee, which is a tax that typically goes up, and asked what would prevent that from occurring. Mr. Lee said this would only be done to administer the program, which has to be

monitored, and that he would prefer an accounting firm be utilized instead of City staff, and that the intent would be to keep the costs to a minimum.

Mayor Skogquist said we could go higher if justified, but noted any fee would have to be adopted and then addressed through a referendum, so there are many safeguards in place.

Mr. Mentor shared concerns about the ever-increasing costs. Councilmember Rostad said there would be a great deal of oversight to avoid that concern, adding that the City is consistently audited.

Mr. Mentor noted there was oversight at the State as well, but fraud occurred.

Jason Abelser, said he saw this as a way for the City to gain revenue and asked how much that would be. Councilmember Rostad said the amount would be approximately \$100,000, which was fairly small comparatively, and suggested finding another way to tax.

Councilmember Scott said this could be used as a tool to get back to the spirit of what we're trying to do and address negative externalities or have funds from Anoka patrons, but ensure some of those funds stay local. He said this was the impetus of the concept, but we need to ensure we do not penalize the existing infrastructure.

Mayor Skogquist asked for Council direction, adding that if we do this, we need a policy to make the groups whole. He felt the exercise was fruitless.

Andrew Boho, Anoka, shared a third option, which was to take a year to gather data on how much money is raised and revisit then but close the loophole on the outside charities now.

Councilmember Scott said we still need to address the .1% administrative fee.

Mr. Mentor said, without guaranteeing that they get something back, he didn't think this concept would be worth it because there would be a lot more work and frustrations with no purpose. He said we've been doing this for so long and doing just fine, and said this was not about protections but having someone get pushed out of a business.

Mayor Skogquist said the issue was that some were not following the ordinance and that the City needed to do a better job policing that. He said the City was not trying to take all the money and wanted a respectful conversation, but said there was a problem that needed to be addressed while accommodating the concerns brought forward by the organizations, while not taking proceeds out of Anoka.

Ms. Oehlers said that through an accounting firm and annual reports, we can ensure proceeds are staying in Anoka, and then organizations will get their contributions back after Council approval.

Councilmember Rostad said that was a great point, as the aggregate was \$100,000, which was 1% of the levy and could be used towards parks or something else, and lower taxes for property owners.

Councilmember Campbell added that this way, large amounts will go back to the organizations.

Mr. Jungling said we need to have protections to keep charitable proceeds in Anoka now and into the future, and ensure the ones who are doing more than 10% should get that back, but his concern was that they already do this and more, and that the City wants a part of that.

Councilmember Rostad said we can't guarantee getting the 10% contribution because year to year that could change, but all have to contribute, and that she would support giving funding back if the criteria were met.

Mr. Boho said if the opportunity for a scholarship or tree lighting arises, he doesn't want to deprive others of scholarships. He said he understood the social worker's need but didn't support taking funding for events.

Mr. Jungling said they are spending much more outside of their organization, and taking this money will result in losses to other organizations. He said we are a good partner now and wanted that to continue, but his concern was that the .1% fee would continue to increase.

Councilmember Scott said he could support the 10% contribution, which would be returned if proven funding was local, as it would not accidentally exclude any organization. He said this would allow the City to benefit regardless, even if returned, because the money will remain in the community.

Councilmember Campbell said if we don't find a way to get the most from the 10% contribution, then we shouldn't do this.

Councilmember Rostad said she was good with the .1% fee and the 10% contribution if a process was established for its return, but would like to see the data first.

An audience member said ACBC Food Shelf was interested in charitable gambling but needed to obtain a premise permit first.

Councilmember Weaver said he could support this if the four organizations would agree it's to their benefit, and if not, this wouldn't accomplish anything because

we know the real issue is with an outside organization. He said we all need to keep in mind that we're establishing new regulations for all these groups who may not donate back anymore, resulting in fewer contributions overall.

Councilmember Rostad said the process needs to be reviewed and addressed, regardless of the outcome.

Mayor Skogquist said this concept addresses outside organizations. Councilmember Weaver agreed but noted they are also our neighbors.

Lori Allert, Anoka American Legion, said they were already at the 50% contribution level to Anoka so that won't be a concern for the Legion.

Council consensus was to move forward with the .1% tax for administration, the 10% mandatory fund contribution, and create a policy that includes a certain threshold for organizations to receive 100% of their funds back if 50% of their proceeds go back to Anoka. Council agreed to change the definition of an Anoka organization and remove the Tier 3 option and direct Mr. Lepak to review this language for further review at the February 23 worksession.

Council took a short recess at 7:47 p.m.

### 3.3 Discussion: City-Owned Property at Bunker Lake Boulevard and 7<sup>th</sup> Avenue – Direction on Development Transportation Elements Requirement.

Community Development Director Doug Borglund and Assistant City Engineer Ben Nelson shared a background report stating the City of Anoka owns a vacant 14± acre lot at the northwest corner of Bunker Lake Boulevard (CSAH 116) and 7th Avenue (CSAH 7). The City Council last discussed potential development at this location in 2023, and it was determined that the proposed development would not move forward. During 2023, when the proposed development was being considered, the City of Anoka held informational neighborhood meetings regarding the commercial site. Community feedback expressed strong support for a public road connection through the commercial site, which would maintain access to the adjacent neighborhoods. This past fall, the City proactively hosted a public engagement on November 20, 2025, to gather feedback on the proposed road connection. The invitation for this meeting was directly mailed to the Rum River Shores and Rum River Shores North developments. There were approximately 12 people who attended the meeting, along with a couple of Councilmembers. An online questionnaire was launched on the City's website, with paper copies available upon request, to gather the neighborhood's perspective in advance of any development. The questionnaire period closed on December 5, 2025, and the City solicited input on many questions. Council should be aware that, in order to complete the questionnaire, residents were required to be members of the Rum River Shores Homeowners Association (HOA) and to acknowledge that they were representing the opinion of their

household. It's also noteworthy to mention that there are approximately 110 single-family homes within the two developments. They shared a summary of the 17 questionnaire responses received, which included that most did not support converting 6th Avenue to a one-way southbound and preferred it remain as it was today, and that a smaller portion supported the one-way option, noting that no residents selected a neutral position. They said the road connection was a key element of discussion this evening, as staff will need to guide any future developer on what will be acceptable to the City. The proposed conversion of 6th Avenue may be included in the development, or the City may include a condition in a future development agreement requiring the developer to construct such improvements within a specified time frame after project completion. This would be based on the traffic patterns following full build-out of the site and the resulting impacts in the adjacent neighborhoods. Based on the findings, the question for consideration is whether the City Council supports a public road connection or a private road connection. They said any future road improvements for the development, along with their associated costs, shall be the responsibility of the developer and asked that Council provide staff direction regarding the public or private road connection through the northwest corner of Bunker Lake Boulevard (CSAH 116) and 7th Avenue (CSAH 7).

Councilmember Weaver asked further questions regarding making this a public road, as it will determine the development with smaller lots because there will be no grocery store included, resulting in two-acre outlots and a road commitment going forward.

M. Borglund said if a group was interested, it would be their responsibility to submit a plan and pay for the road infrastructure.

Mayor Skogquist said we need connections from 7<sup>th</sup> Avenue to 6<sup>th</sup> Avenue. Mr. Borglund said staff would like direction on what message to deliver to interested parties regarding either a public or private connection.

Mayor Skogquist said he was fine with the majority of the input to have some sort of public connection to 6<sup>th</sup> Avenue, but never liked the option of restricting 6<sup>th</sup> Avenue and park access, and informing the entire neighborhood about whatever proposals are submitted.

Mr. Lee said we could tell a developer to share in the cost and place that in escrow, and then re-evaluate after two years.

Councilmember Weaver said if the median goes down further, drivers can't make a left onto 6<sup>th</sup> Avenue and will go through the neighborhood, which would be a concern. Mayor Skogquist said that would only occur for drivers coming from the south.

Councilmember Campbell noted several residents commented on the need for signage so their neighborhood doesn't become a through-road. Councilmember Scott agreed that it could occur for those on Parkview Circle.

**9. OTHER BUSINESS**

None.

**10. ADJOURNMENT**

Motion by Councilmember Scott, seconded by Councilmember Rostad, to adjourn the Worksession at 8:11 p.m.

Motion carried.

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

Approval Attestation:

Amy T. Oehlers, City Clerk