



**City of Newport
City Council Minutes
April 5, 2012**

1. CALL TO ORDER

Mayor Tim Geraghty called the meeting to order at 5:30 P.M.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL -

Council Present – Tim Geraghty, Tom Ingemann, Bill Sumner, Tracy Rahm, Steven Gallagher

Council Absent –

Staff Present – Brian Anderson, City Administrator; Bruce Hanson, Supt. of Public Works; Curt Montgomery, Police Chief; Mark Mailand, Fire Chief; Renee Helm, Executive Analyst; Fritz Knaak, City Attorney; Jim Stremel, City Engineer

Staff Absent – John Stewart, City Engineer

4. ADOPT AGENDA

Motion by Sumner, seconded by Rahm, to adopt the Agenda as presented. With 5 Ayes, 0 Nays, the motion carried.

5. ADOPT CONSENT AGENDA

Motion by Sumner, seconded by Ingemann, to approve the Consent Agenda as presented, which includes the following items:

- A. Minutes of the March 1, 2012 Regular City Council Meeting
- B. Minutes of the March 15, 2012 Regular City Council Meeting
- C. List of Bills in the Amount of \$111,990.42
- D. North Ravine Area Drainage Improvements – Geotechnical Field & Testing Services
- E. Approval of Annual Financial Report for Year Ended December 31, 2011

With 5 Ayes, 0 Nays, the motion carried.

6. VISITORS PRESENTATIONS/PETITIONS/CORRESPONDENCE

Dan Flood, 1660 3rd Avenue – Mr. Mayor, Council members, and staff, I stand before you tonight as a disheartened citizen of our fine city. I've become increasingly concerned with the Council's lack of leadership and outright egregious display towards certain citizens in a public format. On February 2 you were all part of what had to be one of the worst public displays of respect towards a resident by a sitting council ever. That meeting was so bad that my wife Kim and I had to sit together and write a letter. That letter was mailed to you Mr. Mayor and the Council on February 4. I received two responses immediately from Councilman Rahm and Councilman Gallagher, and for that I thank you both. On February 11, one week later, I emailed Brian Anderson and included a copy for distribution to Council in case some of you had not received it. According to Brian he had already received a copy of the email from one Council member and that he was pretty sure that all of you had seen it but he would distribute it in the next packet for everyone and this brings me to my point. I am here tonight, in public, in plain view, not hiding or lurking through the internet to ensure that you have received my letter. My letter as written says:

Mayor Geraghty and Council members: As we watched the Newport City Council meeting on February 2nd we both quickly became dismayed at the blatantly disrespectful display by the Council members towards a private citizen. We were so disheartened at what we heard that we reviewed the February 2nd Council meeting again the next day on the SWCTV website just to make sure that we had heard it correctly. This meeting will have to go down in the history books as one of the most pitiful public displays by a sitting council ever. While we both understand all too well the mutual feelings shared by both Council and the ex-Council member, she has the right to say her peace during the open comments section of the Council meeting. Her questions were delivered in a professional manner and, in our belief, were questions that most citizens would like to ask however, and are afraid of Council retaliation. Hers and Council's comments are below:

Resident while speaking of senior discounts on water bills: "I'm not too far from that senior citizen rate."
Council response from an off screen Councilmember: "I hope you never get there."

After the resident left the podium another off camera member of the Council stated: "What a waste of time."

During Council reports, Bill Sumner then stated: "Comparable to being attacked by a yippy ankle biting dog" and another Councilmember laughed.

We along with many others watched and listened as we heard that a Councilmember hopes one of our residents never reaches her golden years. If this isn't bad enough, another Councilmember referred to her as an ankle biting dog. This type of discourse is both unprofessional and brings a poor image to our fine city.

The Council members and staff that attended this meeting should be ashamed of themselves for this personal attack on one of our residents. While we fully recognize that being a member of Council or city staff is difficult at best, the Council members ran a campaign to be in this position. These positions do not give anyone the right to berate a resident or make statements like those listed above. We are a small community with common goals who want to live in a city that has respect for its citizens.

As we wonder why we have difficulty attracting much needed development in our city, maybe you should take a look at how you conduct our business. In previous meetings, the Council members have had open disparaging comments towards each other; you have dismissed citizens' concerns for our financial records and attacked them for questioning our financial status.

As our elected officials you need to realize that we have entrusted you to operate our city in a manner that brings credit to both our residents and our city. You are in your positions at our discretion and this form of disrespect towards the citizens of Newport will no longer be tolerated.

It is our belief that the offending parties should immediately issue a public apology for such inappropriate behavior, and all other members should, at a minimum, acknowledge their lack of leadership for tolerating this event and not stopping the behavior.

We anxiously await your response. Sincerely, Dan and Kim Flood.

Mr. Mayor, four years ago you came to my door asking for my vote. After our conversation, I decided to vote for you and your ticket that you represented. I'd had enough of the tax increases and the petty differences we have in our city. Tonight, I'm here to let you know that in my eyes you have failed to lead our city. Our economic development is poor at best, we have some of the highest taxes of any city around, I have personally witnessed Council increase the franchise fee on Xcel Energy only to say that it will

bring us more money and that people will not even know that it was the city raising the taxes, that they will think it's Xcel Energy. Yourself and both members sitting directly next to you have repeatedly attacked residents who speak their mind towards the Council. You question their integrity and political affiliation. If you do not want them to approach Council in a public format, may I suggest that you lead the Council in opening a line of communication with all citizens where ideas can be openly communicated without any fear of reprisal or public humiliation. I still anxiously await your response.

Mayor Geraghty – Well I don't know where to begin. We are a small community and I argue with the fact that we haven't achieved our goals as far as financial gain and putting the city in a much much better financial condition then we were four years ago. I don't know how long you've lived in the community but if you go back many years ago, there's been a lot of other heated meetings and not run professionally. I've been in the business a long time and have thick skin and can take it. I'm usually very cordial. I don't know if I insulted anybody, perhaps I didn't cut it off but free speech comes in many ways. I run pretty informal meetings and let people speak their mind. As far as economic development, I'm not sure anyone is doing any better than the City. As far as the tax to the max, I've kept that promise. Four years ago, six years ago, there wouldn't have been any discussion about lowering the taxes. They set the levy in September and never backed off of it. I repeatedly tried to get them to reduce it by \$1,000 but they would not listen and voted to the max every single time and we have not done that. I beg to differ with you that we have not met our financial goals and I have kept my commitment to the people to do that and I will continue to do that.

Mr. Flood – Do we have more businesses now or prior to your election?

Mayor Geraghty – I didn't count the businesses but what sort of economy have we had the last four years?

Mr. Flood – Mr. Mayor you ran and won the election and my point is that our City is not growing

Mayor Geraghty – What city is growing? I asked a question.

Mr. Flood – I know, you interrupted me and I'm waiting for you to finish. As the Mayor and the Council, elected members who ran on this position, it is our right and duty to stand here and question you on the economic development.

Mayor Geraghty – That's fine. I invite anybody to come anytime and if the cameras intimidate people I am willing to sit down with them after a meeting or they can call me or visit my house and I will talk with them. I did not respond to the email because I did not think I offended anybody. Perhaps I could have cut it off but when people start talking that's free speech as well. It probably was distasteful and disrespectful and I don't condone it.

Mr. Flood – And there are repercussions for free speech. Thank you.

7. MAYOR'S REPORT

Mayor Geraghty – I attended the Newport Library open house on March 20. I want to thank Mr. Laughton for all that he's doing there. I would like to remind the public that this Saturday, he will have an Easter egg hunt at the Library. I also attended the first public hearing for reviewing the comp plan on March 21. The next meeting will be on April 17 from 6-8 p.m. On March 22, Brian and I attended the Legislative Conference hosted by the League of Minnesota Cities. We had the opportunity to hear the governor and other leaders speak. Most of the talk was about the bonding bill and voter id. Finally, last Tuesday evening I attended the Newport Elementary band and choir concert. That school is a great asset to the community and I wanted to thank all of the teachers and students who prepared for the concert.

8. COUNCIL REPORTS

Councilman Rahm – I also attended the Library open house and comp plan review. I also attended the Library Board meeting. Main thing at the Library is to get everyone know that we have a new library; we're working to develop it. I think we're doing an outstanding job. I also attended a SWCTC meeting; they will be having an open house to show off their new granicus software. I also went to an informational meeting for the NEWCO group.

Councilman Ingemann – I was at the comp plan overview.

Councilman Sumner – I attended the comp plan meeting and think it was informational. It shows the direction that the City has moved in and the progress that's been made. I think we've made substantial progress in expanding economic development. We've not only made contact, we've had positive development and are in the process of making more progress in that direction. To say that nothing has happened is a disregard for what's happening in this area. I also attended the NEWCO meeting and was glad to see the citizens that were there. We have a group of very intelligent people that are working together. I respect their opinions, I think that working together for the betterment of Newport is a positive experience. I have some question as to why they decided to work outside of the City Council and I understand that they have the right to do that. I understand that two of the members were on the Planning Commission and they could have had substantial impact at that level. They left that opportunity. If they can help us develop outside of the purvue of the City's official areas, that's fine. I would hope that they'll want to work in coordination with the City. I think some of the work requires City involvement, I would hope that they not go out there and close doors by inappropriately approaching businesses. If you bring businesses, if you want to pull your resources and open a business, there's a number of vacant properties, I would love to see you put your dollars into a building, bring a necessary business to Newport. I promise you, just like I support every other business in town, I would bring my business to your buildings and help support you. Aside from that, a couple of public health issues that I think are important for this time of year. We are experiencing a wonderful and early spring which brings the tick and mosquito seasons. I would urge residents to walk through their yards and make sure they don't have any standing water because that is breeding ground for mosquitoes who carry the west Nile virus. Watch your kids for ticks. I also asked that the City began to investigate the issue of radon in homes. It's quite possible that the older homes could have that public health issue. I'm seeing if we can put information on the web and help provide kits for testing.

Councilman Gallagher – No report

9. ADMINISTRATOR'S REPORT

A. Richard Adams, Explorer Post 715 – Donating the Explorer Post 715 Flag that was sponsored by the Newport Fire Department in the 1960's

Richard Adams was present to donate a flag from Explorer Post 715 in the 1960's. Explorer Post 715 was sponsored by the Newport Fire Department in the 1960's. The flag will be on display at the Newport Library and Community Center. Bobby McGee, Andy Marlow, and Mike Schmitz were also present to deliver the flag.

Mayor Geraghty – Thank you for the flag and we will put it on display at the Library.

B. Newport Mosaic Mural Overview

Linda Michie and Anita Perkins were present to provide an overview of the Newport Mosaic Mural project that was completed in 2011. Newport on the Move received a grant for the project and completed

it during the summer of 2011 with several Newport residents and students. The mosaic was installed at the Grove Street Overlook Park at the end of 10th Street.

Mayor Geraghty – Thank you for spearheading this. I was fortunate enough to go on the paddleboat ride to see the mural and I think the students really enjoyed it.

C. Public Hearing – To consider, and possibly adopt, the proposed assessment for Improvement No. 2011-01, an improvement on Valley Road between Ford Road and 21st Street and 21st Street from a point 220 feet west of and a point 160 feet west of Valley Road by regrading and improving the road surface, drainage, and storm sewer conveyance system.

The Public Hearing opened at 6:02 p.m.

Jim Stremel, City Engineer, presented on this item as outlined in the April 5, 2012 City Council packet.

Councilman Sumner – I want to make sure that there are steps that will be taken that during construction, they will do everything possible to avoid catastrophic flooding to the residents in this area. One of the things that happened when they were building the highway, they had this massive flood and there was no place for the water to go and it caused the initial floods that impacted this area. I want to know from you, as the engineer, that steps will be taken to proceed in a workman like manner and that water will be directed away from the homes.

Mr. Stremel – Yes, there is a phasing plan that will address this. We'll start at the top end and stabilize the stormwater ponds before beginning the bottom construction. We've also included a bypass pipe to go around the ponds before they're stabilized in case of major rains.

Councilman Sumner – There's quite a bit of water that comes off from the Mastertech shop.

Mr. Stremel – The bypass should take that into effect.

Councilman Sumner – And the option that homeowners have to pay another \$2,000 for the improvement at the main. That goes to the property line, which is ten feet off of the road, or 20 feet from the center?

Mr. Stremel – I'll have to check, I think it was more like 10 to 15 feet. That was an estimated cost. I took the average.

Councilman Sumner – Is there an improvement made right at the sewer from the home?

Superintendent Hanson – We won't be digging it up unless requested by the resident. Also, that 10 to 15 feet is pretty generic. If you have a question, give the City a call.

Dawn Bergman, 755 21st Street – I have the same concern that Bill does about the flooding. I'm concerned that if any flooding does occur, it'll come closer to my house than it does now.

Mr. Stremel – Right now, there isn't any curb and gutter which will be put in. They'll put the pipe in first to use it as a temporary inlet and will be lowering the road. They'll make sure there won't be any additional flooding during this project.

The Public Hearing closed at 6:15 p.m.

Motion by Ingemann, seconded by Gallagher to approve Resolution No. 2012-9 adopting the assessment. With 5 Ayes, 0 Nays, the motion carried.

D. Finance Committee Consideration

Admin. Anderson – The fourth item on the agenda is consideration for the finance committee which was brought before the City Council before and is being brought forth tonight for discussion.

Mayor Geraghty – I had asked Brian to put this on the agenda because I believe the public deserves an answer and I didn't want it to linger out there. Based on what the auditor said, I don't think we need a formalized committee to get public input on the finances. We have the budget workshops and public hearings. You can call any of us anytime. Right now we don't have the staff to support another committee. I don't think there's a problem there. I think we've made a lot of positive gains financially in the past three years.

Councilman Ingemann – Most of the information that everyone is looking for is accessible online or will be shortly. I've talked to quite a few people and the one question they all have is "Who's idea was it, Kevin or Pauline's?" and "Why do you need it?" They didn't see any purpose for it. I'm ready to make a motion that we set it aside for the rest of the year.

Councilman Rahm – I thought we were going to get a presentation and report about what the finance committee would do.

Councilman Gallagher – That was a couple weeks ago. I don't think they've had a chance to put that together. I think this is a little bit early so I would make a motion to table it.

Councilman Sumner – I've had some discussions with members of the group that would like the finance committee and some questions were raised. One of them was that we may not be following statute and I asked that that be looked into and the answer I got back was that the City was meeting statutes. Another question was whether or not all of the payments are reflected in the list of bills and I was told that all payments are reflected on the list of bills that is approved by the City Council. I would urge anyone with specific questions to bring them to us and have us answer them.

Motion by Gallagher, seconded by Rahm to table this discussion. With 2 Ayes, 3 Nays, the motion failed.

Councilman Rahm – I understand what we've said that there's certain legal reasons about they would not have the authority to do anything and that authority lies in the Council. I think there's also a spirit of cooperation, as far as people are willing to come and help us, I don't see an issue. I see it as an experiment. I would like to see more concrete examples, the power still lies with us. I don't see anything wrong with that.

Councilman Gallagher – There is nothing wrong with it.

Councilman Rahm – Also, has an advisory committee, we don't have to follow their advice.

Dave Engfer, 1390 2nd Avenue – Can I make a comment?

Councilman Ingemann – No sir

Mayor Geraghty – Go ahead.

Mr. Engfer – I think there's a little bit of a misunderstanding about what exactly our proposal was supposed to address. I wasn't making any sort of editorial on the current status of the finances other than that issue of accounting controls. I'm the first one to say that you guys have done a good job of keeping the finances in line and being frugal. Looking forward, I think that the City has some real deficiencies in the accounting controls that are in place, the first of which is good financial statements and they don't exist as far as I know. I think the finance committee could help make sure that that happens. The committee could also provide another layer of separation of duties, which as you know, you've had a negative comment on your audit for the past 12 years regarding that. This would be a way to address that. Thirdly, the committee could act as a level of review and provide detail that you folks don't have the time to do. Lastly, it could help with long-term financial planning, which is a good thing. This was intended to be a proposal that would help the City get a better financial structure in place and make the City provide more information for everybody. I strongly recommend that you take a look at it. Our intention is to issue a report on it once we get the time.

Mayor Geraghty – What was the one negative that you referred to?

Mr. Engfer – On the audit, you have had a material comment for the last 12 years in regards to the segregation of duties and to just dismiss that and say that you can't fix it because you're a small city is ridiculous. You could set up the finance committee to help with that.

Councilman Rahm – I thought we couldn't do that because it would be delegating responsibility.

Attorney Knaak – You are correct, the City cannot delegate responsibility to the finance committee to fix the segregation of duties. You can hire someone to assist with that but can't have an advisory board assist with it.

Mr. Engfer – I'm not talking about that.

Attorney Knaak – I am. I anticipate that that's what you would want to do to create the distance/separation that you were talking about in the audit report. I'm speculating. To the extent that it interferes directly with what the City Council would need to do, you can't set that up.

Councilman Gallagher – Doesn't the City of Afton have that?

Attorney Knaak – The City of Afton has one person who provides advice to the City, it's nothing more than advisory. He is deeply respected.

Councilman Gallagher – The Council takes advice from him?

Attorney Knaak – Yes. He reviews records and offers advice.

Councilman Gallagher – And this finance committee would be volunteer.

Mayor Geraghty – I'm just wondering how that would help the segregation of duties issue.

Attorney Knaak – It wouldn't.

Mayor Geraghty – I have a lot of experience in this area. I've worked for the state for 38 years and I'm the Chief Financial Officer for the Department of Higher Ed and I've got \$1 billion budget there and I have that finding in our office as well and we have about five accounting people in that office. Sure we

could hire more people to mitigate that risk but it's our job to make that decision. Twelve years ago we had five to six people in the office and still had that finding so I understand what's involved here and I think we're doing just fine.

Mr. Engfer – I respectfully disagree.

Motion by Ingemann, seconded by Geraghty to table this discussion until 2013. With 3 Ayes, 2 Nays, the motion carried.

E. Official Name for the Newport Library

Admin. Anderson presented on this item as outlined in the April 5, 2012 City Council packet. It is recommended that the City Council approve "Newport Library and Community Center" as the official name.

Motion by Gallagher, seconded by Ingemann to approve "Newport Library and Community Center" as the official name. With 5 Ayes, 0 Nays, the motion carried.

10. ATTORNEY'S REPORT –

Attorney Knaak – The only item I would note on the prosecution report is the number of items brought to prosecution, which is 36. We've seen an increase in resolutions over the past year. It is noticeable and I have no explanation for it other than that we're arresting and putting more people in jail. It's better enforcement.

Councilman Sumner – Are the natures of the crime more violent or petty?

Attorney Knaak – No, I don't think there's one address or class, it's just an increase in crimes.

11. POLICE CHIEF'S REPORT –

Chief Montgomery – First, we have finished our background on the Community Service Officer and he will be starting on April 9. There is a three week training, which Officer Freemyer will be handling. Secondly, there was a study which was done that shows there have been less deaths and injuries in car accidents due to the seatbelt law that was passed. I just want to remind everyone to wear their seatbelts.

Councilman Sumner – With the warm period, are you enforcing the parking ban?

Chief Montgomery – No, we haven't enforced it in a long time. Also, watch out for motorcycles.

12. FIRE CHIEF'S REPORT – Chief Mailand reported on the number of calls in the past month, which include: truck fire, grass fire in Cottage Grove, leak at refinery, grass fire on Bailey Road, and a couple false alarms. The Fire Department entered the Newport Elementary Fire Prevention poster winners into the State Fire Chiefs poster contest and two of our students placed in the top 20, they are Jack Pesuttie and Jasmine Richardson. That's out of hundreds of posters.

13. ENGINEER'S REPORT – No Report

14. SUPERINTENDENT OF PUBLIC WORKS REPORT

Superintendent Hanson – Mr. Mayor, we have another week on the slip lining. We are hydrant flushing for the next week. The river has crested but there's not much excitement.

Mayor Geraghty – The compost site will be opening on April 14 from 9-4.

15. NEW/OLD BUSINESS

Admin. Anderson – We've been getting calls to do the spring clean-up again and we're taking a look to see who we can use for it. Our current provider has not returned our phone calls. We'll put information on the website and Facebook once we've finalized plans.

16. ADJOURNMENT

Motion by Geraghty, seconded by Rahm, to adjourn the regular Council Meeting at 6:39 P.M. With 5 Ayes, 0 Nays, the motion carried.

Signed: _____
Tim Geraghty, Mayor

Respectfully Submitted,

Renee Helm
Executive Analyst