



**City of Newport  
City Council Minutes  
May 16, 2013**

**1. CALL TO ORDER**

Mayor 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** – Deb Hill, City Administrator; Bruce Hanson, Supt. of Public Works; Curt Montgomery, Police Chief; Mark Mailand, Fire Chief; Fritz Knaak, City Attorney; John Stewart and Jim Stremel, City Engineers;

**Staff Absent** –Renee Helm, Executive Analyst;

**4. ADOPT AGENDA**

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

**5. ADOPT CONSENT AGENDA**

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

- A. Minutes of the May 2, 2013 Regular City Council Meeting
- B. Minutes of the May 2, 2013 City Council Workshop Meeting
- C. Minutes of the May 2, 2013 Special City Council Meeting
- D. List of Bills in the Amount of \$193,374.63
- E. Liability Coverage Waiver Form
- F. Approval of 2013-2014 Liquor License Renewals

**With 5 Ayes, 0 Nays, the motion carried.**

**6. VISITORS PRESENTATIONS/PETITIONS/CORRESPONDENCE**

**A. Presentation of the Betty Haugen Preservation Award**

**Linda Michie, Chair of the Heritage Preservation Commission** – As the Chair, it is my honor to present the 2013 Betty Haugen Preservation Award. We've been presenting these for about 10-12 years. Every year, we try to find a property within the City that is deserving of recognition. This year, we are presenting it to Everett and Gloria Acker. In recognition of their outstanding stewardship of their historic house at 615 4<sup>th</sup> Street. This is one of the events that we do to honor preservation month.

**Gloria Acker** – This is a great honor and thank you.

**Fred Leimbek, 603 7<sup>th</sup> Avenue** – I was here about two weeks ago talking about Cedar Lane. I would like to compliment the Council on their choice of City Administrator; I think you did a great job.

**7. MAYOR'S REPORT –**

**Mayor Geraghty** – I'd like to congratulate the Newport Lutheran Church on their 75<sup>th</sup> Anniversary. Applications for the

Summer Rec program are being taken now. The applications are on the website. The program runs June 11<sup>th</sup> through August 8<sup>th</sup>.

## 8. COUNCIL REPORTS –

**Councilman Rahm** – Nothing to report.

**Councilman Ingemann** – Nothing to report.

**Councilman Sumner** – I attended the HPC meeting on May 8<sup>th</sup>. They discussed updating the boundaries for the Red Rock Cemetery and possibly repairing and replacing the front entrance gate. Planning continues in working together with the Park Board and Planning Commission to look at the Heritage Preservation activities throughout the City. There's going to be a walk-through of the Emergency Management Plan for the historic sites in Newport. Next year marks the 125 anniversary for Newport. One of the reasons that they wanted to incorporate was so they could set up the Library. Hastings Avenue was one of the first paved roads in Minnesota in 1921.

**Councilman Gallagher** – I attended a Met Council TAB meeting yesterday. The core cities want Met Council to encourage employers to relocate into the core cities and outer ring suburbs are fighting back saying that they want employers in the suburbs. I also attended a MSP Thrive roundtable discussion. I saw a lack of east metro representation there so I believe we're going to try to have an east metro roundtable discussion. I also met with staff to discuss the upcoming deer hunt.

## 9. ADMINISTRATOR'S REPORT –

**Admin. Hill** – Deb and I have been meeting with investment groups to identify a strategy for the investments we do have so we can utilize our funds more efficiently and maximize the investments. The deer hunt agreement should be on the June 6 agenda.

## 10. ATTORNEY'S REPORT –

### A. Discussion Regarding 515 4<sup>th</sup> Avenue

**Attorney Knaak** – I have prepared a resolution for 515 4<sup>th</sup> Avenue, which is owned by Mr. Douglas Gackstetter. I believe the Council is aware that the City has received repeatedly complaints regarding the property. As a result of that, I was asked to draft a resolution for your consideration. My understanding is that Mr. Gackstetter is present tonight and I would encourage him to speak to you before the resolution is approved. The resolution would involve a finding that as this condition exists it is hazardous and it would give Mr. Gackstetter 20 days to provide a formal answer. Per the resolution, you can do anything up to actually raising the house and assess that cost to the property. We have repeatedly tried to get a hold of Mr. Gackstetter and he came in this week to obtain building permits. The point being is that you need to take formal action to commence anything.

**Douglas Gackstetter, 515 4<sup>th</sup> Avenue** – The reasons my utilities aren't on is that I was out of town for four to five months. I'm finally back and am waiting for the stadium to start back up so that I can work and get more finances. I did apply for permits, which haven't been issued yet.

**Councilman Rahm** – When you're away, do you forward your mail?

**Mr. Gackstetter** – No.

**Councilman Rahm** – But you do live at 515?

**Mr. Gackstetter** – No, I live in Inver Grove Heights. I didn't know it was a big deal. I came as soon as I found out.

**Councilman Gallagher** – I've seen people at your property in the last couple months.

**Mr. Gackstetter** – I told my neighbor he could park there.

**Councilman Sumner** – So you plan to rehab the house to a livable condition?

**Mr. Gackstetter** – Yes, the inside is fine and the inspector can come look at it. The work is really cosmetic. I did work on the pipes.

**Mayor Geraghty** – What permits do you have?

**Mr. Gackstetter** – I applied for reroofing, residing, windows and a door.

**Mayor Geraghty** – When did you apply?

**Mr. Gackstetter** – A couple days ago.

**Admin. Hill** – It's my understanding that he only has one permit for a new roof from last summer. He did come in for the rest of the permits last week and I told him that we would not issue it because he does not have utilities on.

**Mayor Geraghty** – How long are the permits good for?

**Attorney Knaak** – Six months.

**Admin. Hill** – The previous permit is long expired.

**Attorney Knaak** – The issue here is the inhabitability of the structure and the absence of a plan. You're not hearing anything tonight that would suggest he has a plan to bring the structure into code and make it habitable.

**Mr. Gackstetter** – What is inhabitable?

**Attorney Knaak** – You need water, sewer and electricity.

**Mr. Gackstetter** – There is water and sewer.

**Admin. Hill** – The water is not on.

**Mr. Gackstetter** – I paid my bill and they never turned it back on. I wasn't going to have it turned on in the middle of winter when I wouldn't be there.

**Attorney Knaak** – The point I am making is that if he were coming in with a response to remedy all of the issues it would be easy for me to recommend that it would be reasonable to defer any action. Absent from that, if all he is doing is piecemeal work and there is no plan in place, the City has no assurance that the property won't be in the same condition a year from now.

**Mr. Gackstetter** – I can have the utilities on within the next 20 days.

**Councilman Gallagher** – I think what we, as a Council, needs to do is pass the resolution and then it would be your responsibility to come in with a plan to remedy the situation.

**Mr. Gackstetter** – What do you need on the plan?

**Councilman Gallagher** – You'll need to work that out with staff on what is acceptable.

**Admin. Hill** – I would recommend having Bob LaBrosse inspect the entire property and provide a list of items that need to be done and if he shows good faith in turning the utilities back on and it is habitable then maybe we could change things up.

**Mr. Gackstetter** – Bob was in there last summer but it's fine if he wants to come back.

**Councilman Ingemann** – He needs the electricity and water turned back on?

**Admin. Hill** – Yes.

**Councilman Rahm** – I also think you need to have some forwarding address so that you can get your mail.

**Mayor Geraghty** – Did you run a generator?

**Mr. Gackstetter** – Yes, it's no louder than a lawn mower. I used it last summer when I did the roof.

**Councilman Gallagher** – There were complaints about smoke coming out of the smoke stack next to the garage over the winter, what was that?

**Mr. Gackstetter** – My neighbor wanted to use the garage to work on some stuff.

**Councilman Gallagher** – And the items that are attached to the side of the house?

**Mr. Gackstetter** – I just put them on last week.

**Councilman Gallagher** – It's been a lot longer than a week.

**Mr. Gackstetter** – It's just for presentation, I'm taking pictures to put them up for sale.

**Councilman Rahm** – If we pass the resolution and he comes up with a plan that's acceptable then we won't take up any action.

**Mr. Gackstetter** – How am I supposed to get any permits to do the work?

**Admin. Hill** – I would have Bob inspect it sometime next week and then the utilities are turned back on then I would have the 20 days start after the inspection is completed and a list is provided on what needs to be remedied.

**Mayor Geraghty** – I also think some general clean-up work needs to be done.

**Mr. Gackstetter** – It's a lot cleaner than any of my neighbors and you don't say anything to them.

**Councilman Gallagher** – It's complaint driven and your property has been receiving the complaints.

**Councilman Rahm** – When did you turn off the water?

**Admin. Hill** – Last October.

**Mr. Gackstetter** – I paid it in full and I thought they would turn it back on but they didn't.

**Mayor Geraghty** – Did you give us a correct mailing address?

**Mr. Gackstetter** – I get my mail at 515 4<sup>th</sup> Avenue.

**Attorney Knaak** – So you'll accept a certified copy of the resolution at that address?

**Mr. Gackstetter** – Yes.

**Motion by Gallagher, seconded by Geraghty to approve Resolution No. 2013-23 Finding and Declaring the Existence of a Hazardous Structure Under Minnesota Statutes §463.16 and a Public Nuisance at 515 Fourth Avenue in the City of Newport, Minnesota, Ordering the Immediate Abatement Thereof, Including the Possible Raising of the Building and Authorizing the Assessment of the Cost of Abatement. With 5 Ayes, 0 Nays, the motion carried.**

**11. POLICE CHIEF'S REPORT –**

**A. April 2013 Police Activity Report**

**12. FIRE CHIEF'S REPORT –** Chief Mailand reported on the number of calls in the past few weeks, which include: car crash, semi crash, CO alarms. We'll be conducting a live burn at 1605 Cedar Lane on June 1st. He also thanked Public Works their work. The meat raffle is May 17 at Cloverleaf Bar.

**13. ENGINEER'S REPORT –**

**A. 2013-2015 Street Improvement Projects**

Engineer Stremel presented on this item as outlined in the May 16, 2013 City Council packet. The items include two quotes for services. The first quote is for televising and clean-up services. The City will pay half of the televising the lateral lines and the residents will pay the other half. The total cost of televising lateral lines is \$140. Additionally, if clean-up services are required for the lateral line, the resident will be responsible for that, which begins at \$144. The second quote was for geotechnical evaluation.

**The Public Hearing opened at 5:59 p.m.**

**Eric Smith, 765 18<sup>th</sup> Street –** I see that they marked property lines, how wide is that street going to be?

**Engineer Stremel –** We are considering going up to 28 feet. The curb and gutter won't intrude into your property, it'll be in the right-of-way.

**Mr. Smith –** I was wondering because there is a tree there and I was wondering what would happen to that. Also, 18<sup>th</sup> Street slopes down and my property is at the bottom of it, the water and drainage from that has ruined the driveway there. What happens with that?

**Engineer Stremel –** We're looking at that and I don't have an answer for you yet. The neighborhood meeting will be in June and I'll have an answer at that time.

**Mr. Smith –** Also, I don't mind being assessed for this but I have renters there that have complained to me and the City about the appearance of the property next door and I have also complained about the property next to me on 2<sup>nd</sup> Avenue. We've talked to the City about it but nothing seems to have been done. If I can get assessed for this improvement why can't the people who own those properties be assessed to improve the City's looks?

**Mayor Geraghty –** Did you make a formal complaint?

**Mr. Smith –** Yes, my wife has actually spoken with the CSO on it.

**Mayor Geraghty –** You can give the Chief the addresses and we can look into it.

**Mr. Smith –** I would also like to comment on something else. Everything is complaint driven and we're told to talk to our neighbors about it, I don't really think that's a good way to do it. If we talk to our neighbors about it, it then causes a problem. We have all these codes and laws, why don't we uphold them? You look at other cities; they don't have problems like this.

**Mayor Geraghty –** I think a lot of people would be very unhappy if every law and ordinance was enforced.

**Mr. Smith** – The City needs to get serious about cleaning stuff up. You're serious about charging me and you don't do anything to clean it up.

**Mayor Geraghty** – Were you here for the earlier discussions?

**Mr. Smith** – Yes and I was pleased about that but what about the small things? They're easier to fix.

**Councilman Ingemann** – We have a CSO, it's his job.

**Mr. Smith** – Who's responsible for making sure he does his job? I don't see anything being done. It's in plain sight and nothing is being done. I would like to see the City enforce the Code and do the right thing.

**Councilman Sumner** – There are many things that impact peoples' lives and what may seem like an easy fix to the individual. I think we need to be a little kinder to those individuals.

**Mayor Geraghty** – We're talking about putting a street in.

**Mr. Smith** – I have a letter from a tenant saying they can't move to Newport because of the stigma. It's not acceptable in my eyes. When is the City going to get serious about cleaning up the City?

**Councilman Sumner** – It's an ongoing process.

**Lynn Murray, 1130 Mark Court** – I was looking at the sheets and one of them showed what the City was anticipating for the assessments and the other figure was so much higher, I was wondering if you could show me why?

**Engineer Stremel** – We had a range of values. The appraiser came up with a value increase and the City is considering something in that range. We'll have an assessment hearing where we'll have to identify an assessment. Everyone should get a letter for it.

**Councilman Gallagher** – We have to wait until all the factors come through. We have to bond for this money and have to have a certain percentage that we need to charge for the assessment. I believe it's 20%.

**Paul Hanson, 1925 10<sup>th</sup> Avenue** – Will there be transparency with the bidding process? Also, I question the 5.5%, which is very steep. Also, will there be a break for us that pay cash?

**Mayor Geraghty** – If you pay cash, there won't be any interest. The interest is based on bonds.

**Engineer Stewart** – When we present information at a public hearing like this, we give the highest number that it could possibly be because it's easy to go down but not easy to go up. They look at the bond rate, typically 2%, and the City, by law, is required to add a contingency to that for people that do not pay their taxes. The City had decided prior to this that they would add 1.25% to that initial percent.

**Mr. Hanson** – In any rate, I'm not going to back off, I think 5.5% is ridiculous.

**Mayor Geraghty** – He's saying that the 5.5% is the highest that it could be, it'll probably be around 4%.

**Engineer Stremel** – In regards to the bidding, since it's over \$100,000, we need to have a public bidding process. We'll advertise in a local paper and in a paper in a first class city for at least 21 days. We'll open the bids at a certain date and time. Typically the Council will go with the low bid.

**Mr. Murray** – I know the low bid wasn't accepted for the St. Croix Bridge because there weren't enough minorities, will we have similar problems?

**Engineer Stremel** – No because we don't have any Federal or State funds so that's not required.

**The Public Hearing closed at 6:23 p.m.**

**Motion by Geraghty, seconded by Gallagher to approve Resolution No. 2013-21 Ordering the Improvement and Preparation of Plans for 18<sup>th</sup> Street. With 5 Ayes, 0 Nays, the motion carried.**

**Motion by Gallagher, seconded by Rahm to approve Resolution No. 2013-22 Approving Plans and Specifications and Ordering Advertisement for Bids. With 5 Ayes, 0 Nays, the motion carried.**

**Motion by Geraghty, seconded by Ingemann directing Staff to Enter into a Contract with Professional Drain Services in an Amount up to \$57,825 for Televising and Clean-Up Services. With 5 Ayes, 0 Nays, the motion carried.**

**Motion by Geraghty, seconded by Rahm directing Staff to Enter into a Contract with Northern Technologies for Geo-Technical Evaluation and Design Services. With 5 Ayes, 0 Nays, the motion carried.**

#### **14. SUPERINTENDENT OF PUBLIC WORKS REPORT –**

**Superintendent Hanson** – Hydrant flushing is complete, we will begin street sweeping next week, we're still working on parks prep, and we'll be doing some sewer inspections.

**Councilman Rahm** – When will the work be done on the tennis court in Loveland Park?

**Superintendent Hanson** – It's slated for July. The late spring has put them behind as well.

#### **15. NEW/OLD BUSINESS**

**Mayor Geraghty** – I believe Mr. Murphy would like to talk with us.

**Tim Murphy, 1156 Hastings Avenue** – I'm here to attempt to explain what happened with the demolition project and the agreement that I thought I had with Mr. Anderson. We had talked about it last year and in order to demolish the property I had to pay of the CD off, which I did at the end of last year. The demolition couldn't be done until weather permitted. I am set to go now and the agreement I had with Brian has changed a little bit. I'm here to try to get you to reconsider what Brian and I had agreed upon. Brian and I had agreed upon \$10,000 for the demolition of the property and five years to build a new building with the same footprint. The agreement that was approved is for \$5,500 for four years.

**Councilman Gallagher** – I believe it was up to half the cost of the proposal.

**Mr. Murphy** – I based my project on what Brian and I had talked about.

**Councilman Gallagher** – I know the loan program we had set up was for up to 50% of the total cost so when you brought in the proposal, we took half of that.

**Mr. Murphy** – The understanding I had with Brian was that it would be up to \$10,000.

**Councilman Gallagher** – The half that the City would cover would be up to \$10,000 but then your entire project would need to be \$20,000.

**Mr. Murphy** – We never talked about that, he was aware that it was \$10,000. I had already talked with Marty about it. He had a separate conversation with Brian about it. The reason it came out to \$11,000 was that I would take out the blacktop.

**Councilman Gallagher** – So is your bid wrong?

**Mr. Murphy** – No that's correct, it is \$11,150.

**Councilman Gallagher** – So the project is \$11,150 and you're asking for \$10,000?

**Mr. Murphy** – Yes, with the agreement that there would be another building put up there.

**Councilman Gallagher** – It would have to be a lot sooner than four years if we're going to take almost the entire cost.

**Mr. Murphy** – I think it's a good deal for both of us. I'm tearing down a building that's in blight and trying to clean up the area. The worst possible scenario is that I need to pay it back. My attempt is to clean it up and sell it or develop it. If three years come around then I'll probably have to redevelop. I think every city is going through some of this.

**Councilman Gallagher** – Per the loan agreement, if you sell the property then you need to repay the loan.

**Mr. Murphy** – That may be, Brian said that as long as the buyer agrees to put up a building the same size then it could be transferred. I spoke with Brian today and he is willing to talk with you.

**Mayor Geraghty** – There were a lot of discussions regarding it. At one point you were talking about remodeling it.

**Mr. Murphy** – That may still happen but my budget was set up around that \$10,000.

**Mayor Geraghty** – I think it's a good project and think it's worth the \$10,000 to get that building demolished.

**Councilman Gallagher** – Can you type something up on what your plan is and the timeline?

**Mr. Murphy** – What it really boils down to is that I set up a budget of what Brian and I had agreed upon.

**Councilman Gallagher** – Can we see the budget?

**Mr. Murphy** – The budget is in my head.

**Mayor Geraghty** – In regards to the demolition, will you be seeding it?

**Mr. Murphy** – My thought was just to keep the weeds down.

**Mayor Geraghty** – If the City gave you some more money could you maintain it? I don't want a large dirt pile.

**Councilman Gallagher** – We have to bring this back to the EDA don't we?

**Mayor Geraghty** – There's a contract now so I don't know if we can modify it at the Council level.

**Attorney Knaak** – It needs to go back to the EDA.

**Mayor Geraghty** – We have to bring it back to the EDA, which is represented by the City Council.

**Mr. Murphy** – What's your timeline there?

**Admin. Hill** – The next meeting is June 6, 2013.

**Councilman Ingemann** – That way you can provide the City with a plan.

**Councilman Rahm** – I have a couple items to discuss. The first is in regards to our boards and commissions. I would like them to present an annual presentation to the Council. I'd like the Council to consider that. Secondly, I would like the Council to talk about Operational Excellence and the implementation of more formal operational excellence program that looks at best practices for smaller cities. That Performance Measurement Program that we said we're going to participate in folds into that so I would like to look at a larger program that looks at metrics. For example, code enforcement and police statistics. Third of all, I would like to talk about a City rebranding campaign. I think it's a prerequisite that we have

a rebranding campaign. I would like to give a presentation on it. Also, in regards to City communications. I've received positive feedback on the meetings that we've had for the street improvement projects. We have all these web programs but I don't think we have a feedback mechanism for residents. I would like to have a customer satisfaction survey. Finally, I've been asked to get a Public Works schedule and possibly publish it. People like to know when we're working on things and where. These are things that I would like the Council to consider.

**Councilman Ingemann** – I had asked the Attorney about liquor establishments and if we should review our code and require a distance requirement for off-sale businesses.

**Admin. Hill** – Renee made a map of the two businesses if you want to come take a look at it.

**Councilman Gallagher** – I think it depends on the distance.

**16. ADJOURNMENT**

**Motion by Geraghty, seconded by Gallagher, to adjourn the regular Council Meeting at 6:45 P.M. With 5 Ayes, 0 Nays, the motion carried.**

Signed: \_\_\_\_\_  
Tim Geraghty, Mayor

Respectfully Submitted,

Renee Helm  
Executive Analyst