



**City of Newport  
City Council Minutes  
October 4, 2012**

**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** – 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;

**Staff Absent** –

**4. ADOPT AGENDA**

**Mayor Geraghty** – I would like to add an item under new/old business, an email communication I received.

**Motion by Ingemann, seconded by Rahm, to adopt the Agenda as amended. With 5 Ayes, 0 Nays, the motion carried.**

**5. ADOPT CONSENT AGENDA**

**Councilman Rahm** – I would like to pull the list of bills from the consent agenda to discuss separately.

**Motion by Ingemann, seconded by Gallagher, to approve the Consent Agenda as amended, which includes the following items:**

A. Minutes of the September 20, 2012 Regular City Council Meeting

C. List of Bills in the Amount of \$252,228.31

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

**B. List of Bills in the Amount of \$110,336.54**

**Councilman Rahm** – Every month we get the list of bills and approve them and I get questions from residents on certain things such as the card member services bill which is not actually itemized out. I've asked in the past to have those charges itemized so we can see what's there and sometimes we've gotten that statement and sometimes we haven't. I'd like to make that a consistent practice that we actually do itemize the card member bills on each list of bills so we can see what the purchases are.

**Admin. Anderson** – It's my confusion I thought you were asking specifically for that month because it was larger than others. I didn't know you wanted to be consistent on it.

**Councilman Rahm** – I did because others were asking me about it, I just think its good practice.

**Motion by Gallagher, seconded by Rahm to approve payment of the list of bills in the amount of \$110,336.54. With 5 Ayes, 0 Nays, the motion carried.**

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

**Shane Theiss, Owner of Courtesy Car Rental** – Mr. Theiss was present to thank the Mayor, Council members and City Administrator for making Newport business friendly.

**Councilman Rahm** – How's business doing?

**Mr. Theiss** – It's doing well, it's picked back up from the recession.

**Councilman Ingemann** – I got an email from you wondering if the City could place something on their website for local businesses to post job openings, Brian is that possible?

**Admin. Anderson** – I have a call in to the League of Minnesota Cities about that.

## **7. MAYOR'S REPORT –**

**Mayor Geraghty** – I've been busy the last couple weeks. On September 22, I attended the recognition dinner for the Fire Department and thanked all of the firefighters for their service to the City. On September 25, I appeared before the Washington County Board to present the resolution recommending approval of the contract with RRT for the next three years. On September 27, I attended the Newport Parks Board meeting, the main discussion was Buckthorn Day and the dedication. I also attended a Metro Council Livable Communities Advisory Committee on September 27 to discuss our \$3 million grant application for the Red Rock Gateway area. The grant is very important to the City to set the foundation for the future development of that area. Hopefully we'll get some good news. Last Saturday I did preside over the dedication of the Michael Phillips Outdoor Learning Facility. I thanked all of the partners involved in the project. It was a great turnout on a beautiful day.

## **8. COUNCIL REPORTS –**

**Councilman Gallagher** – Nothing to report

**Councilman Sumner** – I also attended the recognition dinner for the Fire Department and was thrilled to see those people get some recognition. They provide a service to us that we are deeply indebted to them for providing. The fact that we can go to bed at night and know that if a fire breaks out in our home, in our neighbor's home, anywhere in Newport, these guys will pop out of bed in the middle of the night and go there to provide us some safety and service. They've been doing this for a very long time. They're also part of the response crew for a medical emergency. The fact that somebody would make comments about the City finally allocating them a slight pay raise is befuddling; it's a lack of appreciation for a very valuable service. They are probably short compensated for what they do and I felt that it was a very good decision that we made recently. On September 29, I attended the pavilion dedication up at the learning forest. That was an extremely beautiful day. I didn't know Mike personally but after hearing people speak about him and the type of person he was, I feel I do know him. I think it was a marvelous decision to put that pavilion in. On September 25, I attended a debate hosted by the League of Women Voters. We began an exchange of ideas with the candidates, an important part of the process of this upcoming period. It's going to give the people of this city a chance to see what's out there, to see what's available. Hopefully, we'll be able to help them learn the truth of what's available. On October 1, I attended a debate hosted by the South Washington County Bulletin. This exchange of ideas is going to continue over the next several weeks, let's make sure, as candidates, that we be forthright, let's make sure that the audience, the residents of Newport understand what's at stake in this upcoming election. Learn by asking questions; be aware of truths and untruths that are out there.

**Councilman Rahm** – I also attended the recognition dinner. It was very nice to see everyone and thank them for their service. I also attended a SWCTC meeting. I think I told you before that they were up for 12 national awards and they won several awards. I wanted to thank them and congratulate them for the work that they've done. I was not able to attend the dedication and I apologize, I had a previous commitment.

**Councilman Ingemann** – I also attended the recognition dinner. I was at the League of Women Voters and Bulletin debates as well. I received a letter from the NEWCO group which is having a Q & A session and I am not available to attend due to a prior commitment.

#### **9. ADMINISTRATOR’S REPORT –**

**Admin. Anderson** – We did make contact with 3M regarding the LED/Solar lights for the pavilion. A couple 3M staff are checking on this and will get back to me. I’d like to thank staff also for the assembly of the pavilion, rock and sign at Bailey School Forest. Also, the Planning Commission will be reviewing the preliminary and final plat for the transit station at the former Knox lumber site. That will come before the City Council for final approval.

#### **A. E-Mail Retention Policy**

Admin. Anderson presented on this item as outlined in the October 4, 2012 City Council packet.

**Motion by Ingemann, seconded by Rahm to approve the E-mail Retention Policy. With 5 Ayes, 0 Nays, the motion carried.**

#### **B. Internal Control Procedures Policy**

Admin. Anderson presented on this item as outlined in the October 4, 2012 City Council packet.

**Councilman Gallagher** – I would like to take a part out under number 4 where it says “Each card holder will be responsible for maintaining accurate and complete records. Use of city credit cards for personal purchases is strictly prohibited.” I would like to strike out the part where it says “If an employee makes a purchase using a city credit card or purchasing card, they will be held personally liable for the amount of the purchase.”

**Councilman Sumner** – Why?

**Councilman Gallagher** – Because you’re limiting yourself on what type of disciplinary action you can take if someone uses the card.

**Councilman Sumner** – Is that true attorney?

**Attorney Knaak** – I don’t know that that language is necessarily exclusive of other alternatives. If you are going to strike it I don’t think that’s a problem.

**Councilman Gallagher** – Or maybe we could put “additional disciplinary action may occur also.”

**Councilman Rahm** – I didn’t really know what that meant. When they’re using a City credit card they’re using it to purchase things that City related so why would you have that language in there.

**Councilman Ingemann** – I read it to say that if you don’t have a receipt then you would have to pay for it even though it’s for the City.

**Admin. Anderson** – This is a policy that we took from another city.

**Attorney Knaak** – The point that’s being raised is a good one because it isn’t clear. I think you’re better off striking the language.

**Councilman Rahm** – I would agree to striking the language. Also, in regards to the charge accounts, does each department have their own code for the charge accounts? Can we understand what individual is charging and track it down to that level?

**Admin. Anderson** – Yes

**Councilman Rahm** – How do we make sure that the item that was purchased is for City business?

**Admin. Anderson** – Well it would say what items were purchased and who signed for it so we can follow up that way.

**Councilman Sumner** – Back to the credit cards, it happens very often that purchases are made online and receipts aren't available so I think we should be careful with what language we put in the policy.

**Mayor Geraghty** – Most times, you can get something from the company.

**Attorney Knaak** – I would recommend placing “or other documentation” in the sentence “A receipt of each purchase must be retained and given to the Accountant.”

**Mayor Geraghty** – Do the cards have individual names on them?

**Supt. Hanson** – Yes

**Mayor Geraghty** – And are they all under one account number or separate account numbers?

**Supt. Hanson** – All one account number

**Mayor Geraghty** – So we can't distinguish between what you're buying and what Brian's buying?

**Supt. Hanson** – On the credit card you can. On charge accounts, I verify each purchase that was made.

**Councilman Rahm** – Are you satisfied with the controls currently in place?

**Supt. Hanson** – Yes, because I know everybody's signature and can verify the purchases.

**Chief Montgomery** – In regards to the Refinery charge account, we don't have separate codes for each officer but if you don't have a badge and a squad car then you're not getting in to fill up. Super America does have codes that we need to use when filling up there.

**Councilman Sumner** – It's my understanding that this is a new policy and there hasn't been a credit card policy in the past.

**Chief Montgomery** – Not that I know of.

**Councilman Sumner** – So, we may be hearing a lot of concern being raised about credit cards but past policy for many years, past administration, council members, mayors, did not require this level of receipt keeping and so forth.

**Chief Montgomery** – As far as I know.

**Supt. Hanson** – The policy wasn't there but we did keep pretty good track of the purchases.

**Councilman Sumner** – But we do have pretty good oversight from the department heads correct?

**Chief Montgomery** – If it's purchased with my credit card, it's purchased by me.

**Councilman Sumner** – So I think this concern that we're hearing may be a little excessive. I think its fine to add a policy now but we can't go back and change what was happening before. I think we have adequate oversight from out department heads and I think we will increase the efficiency of oversight with this motion.

**Councilman Gallagher** – What stops us from having a City police department card, public works card and administration card?

**Supt. Hanson** – We do have that. The account is under my name but Curt and Brian have their own cards similar to how your wife would have her own card on your account.

**Councilman Gallagher** – Could we not get a card under the City's name?

**Supt. Hanson** – Somebody's name has to be on it. The City's name is not enough.

**Mayor Geraghty** – But the card numbers are different?

**Supt. Hanson** – Yes. Employees will use my card but I still approve the bill at the end of the day.

**Councilman Rahm** – I agree that there might not have been a policy in the past but that doesn't exclude us from making continuous improvements. Items like this are what I've put in the strategic plan to do periodically. I think also as we try to be more transparent in our finances, we're going to naturally get more questions, I think that's healthy, I think that's good. Improving controls will make sure that everything we spend and purchase for the City is done with perfect receipts and traceability. I think everything we're doing here is along those lines.

**Councilman Sumner** – But we haven't had a situation where the sky is falling because of the past policies.

**Admin. Anderson** – No, a lot of these are just findings that we had. We're working with the auditor to improve.

**Councilman Sumner** – So this Council has continued to make improvements over the last four years?

**Admin. Anderson** – The previous one and this one.

**Mayor Geraghty** – I think all Councils have tried to improve things. If there is misuse or abuse, could we put something in about action?

**Admin. Anderson** – There is an example of someone doing that in Albert Lea and I think there were criminal charges so that's already in place.

**Councilman Rahm** – We could add something that says any type of misuse would be followed up with disciplinary action.

**Councilman Gallagher** – Could we add that to the whole procedure, anyone violating the procedure can be subject to disciplinary action?

**Motion by Ingemann, seconded by Gallagher to modify the Internal Control Procedures Policy by adding a policy for credit cards and charge accounts as amended. With 5 Ayes, 0 Nays, the motion carried.**

#### **10. ATTORNEY'S REPORT –**

**Attorney Knaak** – You do have before you the prosecution report. There's an influx in what's being handled by the hearing officer.

**Councilman Gallagher** – You said you were going to talk with the hearing officer, have you?

**Attorney Knaak** – We have, that's not reflected in this, she's just getting lucky or doing a better job.

## **11. POLICE CHIEF'S REPORT –**

**Chief Montgomery** – Officer Crist started his first shift on Monday. I attended a chief's meeting last Friday and the records management system is schedule for implementation in March 2013.

### **A. August 2012 Activity Report**

**Chief Montgomery** – I provided an activity report for you and will stand for any questions.

**Councilman Gallagher** – Domestic violence is at 20 for this month, is that a pretty large number?

**Chief Montgomery** – We've been very busy this whole month. The calls that come in as domestic violence may not always be domestic violence. I take the calls as raw data from Washington County.

**Councilman Gallagher** – How do the officers like the new car?

**Chief Montgomery** – They love it. We've had a lot of comments from other agencies.

**Councilman Sumner** – Right now during the campaign season there has been some vandalism and theft of campaign signs. Could you ask the officers to pay specific attention to that? Also, if anyone ends up with signs that they don't want they can bring them to City Hall, they can call me and I'll come get them, I'll be glad to participate in the respect part of it.

**12. FIRE CHIEF'S REPORT** – Chief Mailand reported on the number of calls in the past month, which include: false alarms, gas fires, illegal burns, mutual aid calls. Next week is fire prevention week. On October 12, we'll have an open house at Fire Hall #1 beginning at 6:00 p.m. Conditions are really dry and windy.

**Councilman Rahm** – Do we ever issue bans on outdoor fires?

**Chief Mailand** – The DNR is putting together a statement for tomorrow for a complete ban across the entire state due to the conditions.

**13. ENGINEER'S REPORT** – Nothing to Report

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

### **A. Resolution No. 2012-29 – Authorizing the Purchase of a 2012 Zero Turn Mower from the City's Equipment Capital Improvement Fund**

Supt. Hanson presented on this item as outlined in the October 4, 2012 City Council packet.

**Mayor Geraghty** – What's the life expectancy on these?

**Supt. Hanson** – We're expecting 7-10 years. Our mowing picked up with the trail system and we'll be picking up a little more with the North Ravine project.

**Councilman Sumner** – I would like to take this opportunity to allow anyone in the audience to make the type of comments that we're seeing on the internet, asking for justification for some of the purchases that are going on by the City. So if anyone thinks it's inappropriate to buy this, let them bring up their reasons right now, if not, I think we have part of our capital equipment program, which is long-term and looks at the financial purchases that the City makes. This was scheduled and is coming up. If someone has questions about the propriety of this, let's hear it now, if not, I have nothing more to say.

**Mayor Geraghty** – Typically, the discussion is between the Council and the staff unless we ask specifically, which I suppose you did.

**Motion by Geraghty, seconded by Ingemann, to approve Resolution No. 2012-29 authorizing the purchase of a 2012 zero turn mower from the City's Equipment Capital Improvement Fund. With 5 Ayes, 0 Nays, the motion carried.**

**B. Resolution No. 2012-30 – Authorizing the Purchase of a 2012 Bobcat S590 from the City's Equipment Capital Improvement Fund**

Supt. Hanson presented on this item as outlined in the October 4, 2012 City Council packet.

**Councilman Sumner** – Are we getting any trade-ins on the old stuff other than scrap price?

**Supt. Hanson** – Yes, we're getting \$6,500 for the trade-in.

**Councilman Sumner** – And this has got comparable power and life expectancy?

**Supt. Hanson** – It's actually one size larger. We're looking to improve on our snow removal on the trails.

**Mayor Geraghty** – Did the market drop their prices or did we have a high estimate?

**Supt. Hanson** – This estimate was a little high, I'm budgeting these five to ten years out. Our trade also came in higher than I expected for this.

**Councilman Rahm** – We use the State purchasing site because that's probably the lowest price that we can get correct?

**Supt. Hanson** – Yes. Occasionally, I can beat that and I do check that out.

**Motion by Ingemann, seconded by Sumner, to approve Resolution No. 2012-30 authorizing the purchase of a 2012 Bobcat S590 from the City's Equipment Capital Improvement Fund. With 5 Ayes, 0 Nays, the motion carried.**

**C. Resolution No. 2012-31 – Authorizing the Purchase of a 2013 Single Axle Chassis with Necessary Equipment from the City's Equipment Capital Improvement Fund**

Supt. Hanson presented on this item as outlined in the October 4, 2012 City Council packet.

**Councilman Sumner** – Again, I'll ask if there's anyone who would like to come forward to question whether or not this is a wise expenditure of City finances to do so.

**Corb Hopkins, 1790 1<sup>st</sup> Avenue** – Bruce, this is a 1987 truck?

**Supt. Hanson** – Yes

**Mr. Hopkins** – Was this the one two years ago that we were patching together because of rust?

**Supt. Hanson** – Actually, the tandem we got is the one that split.

**Mr. Hopkins** – You've been able to keep this truck going since 1987 in spite of the salt, rust and the beating that it takes?

**Supt. Hanson** – It's served us well, it's run its life expectancy though.

**Mr. Hopkins** – What is the mileage on this?

**Supt. Hanson** – It's probably at 60,000 – 70,000 miles, but all of the miles were spent plowing.

**Mr. Hopkins** – And the new plow is the front plow with the wing?

**Supt. Hanson** – Yes

**Mr. Hopkins** – I think it's a good idea. Well done.

**Councilman Rahm** – Again, when we have larger purchases, I think it's a good idea to look into the lease-buy options and whether or not it makes sense to do that. Just looking at it to make sure we're getting the best deal.

**Councilman Gallagher** – Do they lease dump trucks?

**Supt. Hanson** – They do, the State looked at it and tried it but it didn't work out that well. I did look at it for the skidster. I just feel it wasn't feasible for as long as we can keep them.

**Councilman Gallagher** – Bruce, why didn't we do this two months ago to have it ready for snow season?

**Supt. Hanson** – This is in the 2013 budget. My timing is so that it will be paid out in 2013. If we waited until 2013, we would have pushed it out until 2014. This is approving the order of it.

**Councilman Gallagher** – Was the dual-axle around the same cost?

**Supt. Hanson** – There was a \$10,000 difference.

**Motion by Sumner, seconded by Geraghty, to approve Resolution No. 2012-31 authorizing the purchase of a 2013 single axle chassis with necessary equipment from the City's Equipment Capital Improvement Fund. With 5 Ayes, 0 Nays, the motion carried.**

**Supt. Hanson** – We are hydrant flushing for the next couple weeks. Also, once we're done, we'll be doing flow testing on hydrants for fire flows.

**Councilman Sumner** – Remember last year when we had the fire hydrants opened during the winter and we put a \$500 award out there for information on who did that. Did anything ever come of that?

**Supt. Hanson** – No

**Councilman Sumner** – So maybe it's worth saying again.

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

**Mayor Geraghty** – I added an e-mail communication I received under New/Old Business that I would like to talk about. I received a copy of an e-mail that was sent out by Mr. Flood, which I thought was misleading and contained some allegations which I would like to ask him some questions about. I don't know if you're willing to come up Dan and talk about it, I have some questions I'd like to ask. The e-mail was sent out and has his campaign sign on it and is regarding some of our fiscal policies and the workshop tonight so I have some questions. One of the things that was a surprise to me, you mentioned that the thrust of your e-mail was to get people here to talk about our finance committee issue at the workshop and I didn't really know that we were going to be talking specifically about the finance committee report. The Council acted back in April and tabled that item until 2013.

**Dan Flood, 1660 3<sup>rd</sup> Avenue** – Actually that is not the essence of the e-mail Mr. Mayor and if you read it I challenge you to show me where it actually says that, that the meeting after the Council meeting will talk about the financial committee.

**Mayor Geraghty** – Well about fiscal issues.

**Mr. Flood** – Yes, I was given that information by a Council member that it would possibly be on the agenda, fiscal issues and fiscal concerns to discuss.

**Mayor Geraghty** – But these items you talk about here are all related back to what the finance committee was, some of the issues they raised for setting up the committee.

**Mr. Flood** – No sir, they're not, just the one about the long-term options of the City. I'd prefer not to make our campaign issues a televised thing.

**Mayor Geraghty** – Well I think when you make these allegations about \$24,000 a year of missing receipts...

**Mr. Flood** – That's an average.

**Mayor Geraghty** – I guess I would like to have your documentation, I'm wondering where you got your information from.

**Mr. Flood** – I'd be more than happy to provide that information to you sir.

**Mayor Geraghty** – Who did you get your information from?

**Mr. Flood** – I won't release that.

**Mayor Geraghty** – Well, to my knowledge, the only person that has been in here on a regular basis over the last four to five months making copies is Pauline Schottmuller so I'm assuming it's being funneled through Pauline Schottmuller to Dave Engfer, Steve, to somebody, somehow it's getting to you.

**Mr. Flood** – Mr. Mayor, I ask the question, do we have the receipts?

**Mayor Geraghty** – I think it's only fair that the City have the information that you have so we can investigate.

**Mr. Flood** – I will discuss that on an off-line basis or at a closed meeting.

**Mayor Geraghty** – I would like to have it so we can look into it, it's a serious allegation.

**Councilman Gallagher** – How about this, why don't we just say this to get it done and over with? For the last 24 months how about we just ask for copies of the receipts for the credit cards, the credit card purchases, do we have them, yes or no, we'll get it out there? I'm asking for that from staff, the last 24 months, the receipts for the actual purchases.

**Mayor Geraghty** – Well, he made the accusation...

**Councilman Gallagher** – And this is a piece of a campaign literature...

**Mayor Geraghty** – Excuse me. He made the accusation; I want to see what he has. I mean Pauline has come in here time and time again and gotten stuff and I'm assuming it got to you somehow. She came in here several months ago on the fishing pier and accused us of being short \$2,000 and we dug into it and it came back to be

\$600 so I want to see how you're coming up with the number. I'm not going to have City staff do it, I want to see what you've got.

**Mr. Flood** – So you're not willing to have City staff produce the receipts?

**Mayor Geraghty** – I'll have them verify your information. I want to see what you've got.

**Mr. Flood** – I'll provide that to you, I was not prepared to do this tonight Mr. Mayor.

**Mayor Geraghty** – I'm not asking for it tonight, I didn't expect it tonight. I just want to see what you have and we want to investigate it and if there's something that needs to be corrected we'll correct it. A lot of what we corrected on the action we took tonight. I think Pauline comes in and gets stuff and sometimes she fabricates things, it's not always true what is said.

**Mr. Flood** – It's unfortunate that you keep throwing out names Mr. Mayor. This is between obviously you and I since you received a copy of the e-mail...

**Mayor Geraghty** – Well if you're unwilling to divulge the source, I'm assuming it's her.

**Mr. Flood** – Because I don't feel that's public information that I need to divulge. If one of the people that I sent the e-mail to wants to ask me I would be more than happy to discuss that but not in a public forum sir. And if we also want to speak about inaccuracies we can talk about Mr. Sumner's comment that we don't have any fiscal policies requiring receipts yet we do and I will e-mail that to you also after I get home tonight. It is already, currently in the City policy that credit card purchases require receipts to be turned in.

**Councilman Ingemann** – Now it is.

**Mr. Flood** – No, it was prior to that sir, I looked it up last week and I will e-mail you that also.

**Mayor Geraghty** – This is the part on your e-mail here, "The workshop might shed some light on why the City Council was so adamant against a financial review committee."

**Mr. Flood** – Yes, it could.

**Mayor Geraghty** – Well that wasn't the purpose of the workshop.

**Mr. Flood** – I was led to believe that.

**Mayor Geraghty** – No it's not, it's our strategic plan.

**Mr. Flood** – By a member sitting up by you sir.

**Mayor Geraghty** – By me, but not me. It's a strategic plan.

**Mr. Flood** – My understanding is that it was supposed to be on the agenda. Maybe Mr. Anderson can speak to this.

**Mayor Geraghty** – No, it was to discuss the strategic plan. So I don't know where you got the interpretation that it was going to be...

**Mr. Flood** – Once again, I'd be more than willing to talk with you off-line sir.

**Mayor Geraghty** – Well let's get it out here, let's be transparent.

**Councilman Rahm** – Mr. Mayor, if I may talk about this. Number one is that I did attend a NEWCO city meeting, which was attended by Mr. Sumner, Mr. Flood and Mr. Gallagher. During that meeting, there was a financial report that was put out by the meeting...

**Councilman Ingemann** – Hold it, excuse me, that's a quorum.

**Councilman Gallagher** – We didn't sit around each other.

**Mayor Geraghty** – Who was there?

**Councilman Rahm** – I was there, Mr. Sumner and Steve. We sat at different tables and didn't converse. And they gave a presentation and handed out a financial statement. I asked for a copy to be sent to me by them, which I forwarded on to Brian Anderson and he forwarded onto the entire Council. That is the information that I have and I sent it to people when I found out. The questions that I have been asking about controls for a while relate to questions that I've been asked by citizen groups. Do we have receipts for things, how is our....

**Mayor Geraghty** – I understand that, my point was the finance committee.

**Councilman Rahm** – I've also been talking to Mr. Anderson in the past about having a financial control review, and I was told that we were going to have that as part of the agenda tonight at our workshop and I was told that through both e-mail and a phone conversation so I thought that was going to be there. So when people ask me about whether or not we're having a review on this topic I said the last time I heard it would be tonight but when I received the agenda it was not on there and I also told people that. So again, I just want to make sure people understand, in transparency, what has transpired, what I know, what I've received and that Council has also been given that same information.

**Mayor Geraghty** – Right, but this is clearly...

**Councilman Rahm** – This is his campaign stuff, I have no knowledge about this.

**Mayor Geraghty** – It's misleading ok?

**Councilman Rahm** – It may be misleading and that's fine, that's separate. I'm talking about something you asked about how he knew about it. He knew about it because I thought it was going to be on there and people asked me about it and I said I think it's going to be on the Thursday meeting but it was not.

**Mayor Geraghty** – And did you give him the receipts or copies of the receipts?

**Councilman Rahm** – No I did not. I haven't given anyone any receipts. I have the same information that you have and the same information that the entire Council has been given.

**Mayor Geraghty** – Right, my whole point was that the City Council settled that issue in April. We said we'd table the finance committee issue until next year and I don't expect to discuss that issue.

**Councilman Rahm** – And that's fine but there are some other things in that report that I think warrant looking at.

**Mayor Geraghty** – Well he mentions a couple things that have been taken care of and that's misleading to throw that out there.

**Councilman Rahm** – And I agree on that.

**Mr. Flood** – At the time that that was sent out they were not taken care of.

**Mayor Geraghty** – Well why did you put it in your e-mail then?

**Mr. Flood** – They were not taken care of at that time.

**Mayor Geraghty** – It's misleading to the public is what I'm saying.

**Mr. Flood** – It's not because that's an actual fact from when that was sent out.

**Mayor Geraghty** – It implies that we're not balancing our bank statements, that's what people will perceive and read.

**Mr. Flood** – Can we produce any of the Council meeting minutes or packets from 2011 or spring 2012 that shows a balanced bank statement?

**Admin. Anderson** – The 2011 bank reconciliations were done by MMKR.

**Mr. Flood** – Were they provided on a monthly basis to the Council?

**Mayor Geraghty** – We didn't get them, they may have been done. I'm sure they were done because I asked a year ago when this issue was coming out. We were behind because we lost an accountant, hired a new one and she caught everything up because the previous one was behind. To my knowledge, ever since that date they've been done monthly within two weeks of the month end.

**Mr. Flood** – Mr. Mayor, if you'd like to discuss politics any further I would be happy to do it in a closed forum...

**Mayor Geraghty** – Well you're the one that threw this out there. I'm defending the City's position.

**Mr. Flood** – Sir, I did not send that out to this public forum of a Council meeting...

**Mayor Geraghty** – I don't care, it's out there publicly to the residents...

**Mr. Flood** – If you would like to come to any meeting whatsoever, I'm more than willing to debate you.

**Mayor Geraghty** – I've invited the public to come and ask the questions anytime, come to my house, call me.

**Mr. Flood** – You don't answer the e-mails that I send personally so that's why I don't bother.

**Mayor Geraghty** – That's because I didn't insult anybody.

**Mr. Flood** – Your Council did. If you can speak of any untruth in there please let me know.

**Mayor Geraghty** – I've said it's misleading and you've got accusations in there and I want proof.

**Mr. Flood** – And I can back them all up and I'll give them to you.

**Mayor Geraghty** – Then provide it to Mr. Anderson.

**Councilman Gallagher** – Now, can I say to get this out of the way, can Council have copies of the receipts for the last 24 months of credit card statements? Back up for the credit card statements. I'm asking for that, would you like to see that Tracy?

**Councilman Rahm** – Yes, I would. Are you making a motion for that?

**Councilman Gallagher** – I'm making a motion for that. It'll get it out of the way and be done with.

**Councilman Rahm** – Then I will second it.

**Mayor Geraghty** – Well I want to see their documentation too.

**Councilman Rahm** – A motion has already been made and seconded so we vote on it.

**Councilman Gallagher** – What's wrong with seeing them and getting it out in the open?

**Mayor Geraghty** – Nothing.

**Councilman Gallagher** – So let's do that and if we don't have them well then we don't have them. We'll let people know that we don't have them and we'll request copies from the vendors for them.

**Motion by Gallagher, seconded by Rahm to request staff provide the receipts for credit card statements for the last 24 months. With 5 Ayes, 0 Nays, the motion carried.**

**Mayor Geraghty** – This whole issue is being thrown out there in the middle of a campaign and I understand that's why it's being thrown out there because people want votes but at a time when the City has the best financial records that it's ever had, this garbage is coming out.

**Councilman Ingemann** – I have a statement I'd like to read.

**Mayor Geraghty** – Jus this morning I pulled up an article on the web about several cities across the nation that are going bankrupt and you guys are criticizing us because we've got surpluses and you want us to give it back. My intent is to keep the City sound and financially sound in the future. I mean you guys have thrown out this stuff on missing receipts for blah blah blah alright and you guys are doing that.

**Councilman Gallagher** – I'll make a motion to adjourn, this has turned into a campaign piece instead of a City Council piece.

**Councilman Rahm** – Mr. Mayor, I'm not doing this for a campaign issue or whatever; I'm doing this because of fiduciary responsibility. When citizen groups hand me a document that has allegations whatsoever, my job as a public official is to bring it to Council, which I did through Brian, and bring it to the group and say "Ok, here's what's been said" and I think our approach should be having internal investigations and looking at our controls and the allegations. It's part of a continuous improvement effort, it's not intended to attack you or anyone else. It's looking at our controls and understanding how the public's money is being spent and if there's receipts and accountability and controls.

**Mayor Geraghty** – I invite the public to look at the website, there's never been more on the website than there is now. Go look at it.

**Councilman Rahm** – And by putting those things out there we should be able to handle questions regarding receipts or any other issues.

**Mayor Geraghty** – Before we adjourn, I'd like to make a motion to cancel our workshop because it's not the forum to go into and talk about this.

**Councilman Ingemann** – I'd like to have a statement read.

**Councilman Rahm** – I'd like him to be able to read his statement before we adjourn.

**Councilman Gallagher** – I withdraw my motion.

**Councilman Ingemann** - At each debate, it has been said that the City of Newport is hard to deal with. Under the old administration, that indeed was a fact of life. They made it very difficult for a business to operate in this city. In the past four years, the business community has found the present administration easy to do business with, and we are working hard at eliminating the old impression. The present staff has found many errors and has corrected those using present accounting practices. It took about eight months to clean up the mess that was presented to them. People wanted financial information, now everything is on line, yet now they are complaining that there is too much. I guess you cannot please everyone. There is no other city that provides as much financial information on line as this city presently does. According to our auditor, the City asked for monthly financials as far back as 2009, the previous administration told the auditor at that time it would take a new accounting system, and the city was not willing to pay for it. Guess what, this administration saw the need, had it installed and now after correcting all of the incompetent errors, the city has monthly financial statements, and I guess, too much information for some people to comprehend. There was a complaint about the bank statements not reconciled in a timely manner, well during 2011, the bookkeeper that Newport had left the city employ, and left the bookkeeping in total disarray. It took our present bookkeeper 18 months to sort thru the mess and get everything corrected and up to date. Some have complained about ordering a fire truck ahead of time, well to let you know, it takes approximately 18 months from the time it is ordered and the time it is delivered. You pay for it when it arrives. There is no local fire truck store; all trucks are made to city requirements, specs, needs and purposes. The truck that is being orders is meant to replace 2 units that are more than 30 years old. Another for your information, by ordering the truck in 2012, and locking in the price, you will be saving \$22,500, or 5% of the total cost if you were to wait till next year. The 2013 price is planned to increase by 5%, and for each year, for the next 5 years. By locking in the current price, the fire department will be getting what they need, and not have to cut items that are used for your protection. A group complained that the fire fighters got a raise in pay, and it should have gone before some sort of citizen's group. To let you know, the last raise that our firefighters received was 14 years ago. The rate of pay went from \$5, \$6, and \$7 an hour to \$6, \$7, and \$8 per hour. The rate of pay is not even minimum wage. This city is getting great fire protection and a very low cost. Our good neighbors to the south get anywhere between \$12 to \$15 per hour for their service. Also, for your information, our dedicated firefighters are the lowest paid group within this county, or much less, within the entire metro area. The fire fighters that you have, you should be proud of and very thankful for what they do for you and they certainly don't do it because of the pay. The previous administration for you information, had not made the final payment on the fire truck that was purchased in the early 2000's, in 2010, present staff noted that there still needed to make the final payment, and did so, the payment at the time came to \$128,000, and that included the interest on the loan that was not paid off when it should have been. Some have even complained about a water shed project that was paid for by the State of Minnesota, the Washington County Watershed District and the City of Newport. The north ravine was washing away land behind the new public works building, and the project was paid for mostly from state and county money. The city paid a very small percentage to that project. This project was neglected under the previous administration, and four years ago it was revived by this administration and the problem has been taken care of. I am sure, that if the project was not needed, the State of Minnesota and the Washington County Watershed District would not have contributed anything toward this project. However, the complaint went on to state that it benefitted a Council member who happened to live in the neighborhood, (who by the way has been assessed for improvements), that got flooded out, yet nothing was ever mentioned about a \$20,000 project that sat right next to a former council member's home, and that was not even ADA compliant. This budget is balanced, there is no surplus. All of the money in the budget has a purpose. Mr. Gallagher, according to your leader it has been said that if you were to be elected mayor, the first thing that you would do is to fire the City Administrator and the City Attorney. Is there any truth in that statement?

**Councilman Gallagher** – Absolutely not.

**Councilman Ingemann** - The people that will be voting need to know that answer.

**Councilman Gallagher** – How are you going to turn this into a campaign statement?

**Councilman Ingemann** – I'm not. Also, when elected 2 years ago, you mentioned...

**Councilman Gallagher** – Wow, that's ridiculous.

**Councilman Ingemann** – It's what I've heard.

**Councilman Gallagher** – Then come to me Tom, then pick up the phone instead of bringing it here and being stupid, pick up the phone.

**Councilman Ingemann** – I'm just going to finish. I know it is very easy to criticize about anything, especially when you do not have all of the facts correct, and are not interested in finding them out. I guess it is very easy to throw mud when it is not aimed at you. I just wish that before someone accuses someone about something, they do their home work and get all of the facts correct. There is way too much mudslinging going on at the local, county, state, and national level. I'll just stop there.

**Motion by Geraghty, seconded by Sumner, to cancel the workshop that was scheduled to follow the meeting. With 5 Ayes, 0 Nays, the motion carried.**

#### **16. ADJOURNMENT**

**Motion by Geraghty, seconded by Rahm, to adjourn the regular Council Meeting at 6:49 P.M. With 5 Ayes, 0 Nays, the motion carried.**

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

Respectfully Submitted,

Renee Helm  
Executive Analyst