



**City of Newport
City Council Minutes
November 15, 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; John Stewart, City Engineer;

Staff Absent –

4. ADOPT AGENDA

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

5. ADOPT CONSENT AGENDA

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

- A. Minutes of the November 1, 2012 Regular City Council Meeting
- B. Minutes of the November 1, 2012 City Council Workshop Meeting
- C. List of Bills in the Amount of \$167,584.49

**D. Resolution No. 2012-37 – Approving the Application for Community Development Block Grant Funds
With 5 Ayes, 0 Nays, the motion carried.**

6. VISITORS PRESENTATIONS/PETITIONS/CORRESPONDENCE

7. MAYOR'S REPORT –

Mayor Geraghty – Nothing to report

8. COUNCIL REPORTS –

Councilman Rahm – In regards to the polling place consolidation for the elections, I spoke to several election judges on Election Day to see how the consolidation is going. We had a heavy turnout for the election and I was told this did put some strain on the Election judges. I think we might need some more judges there in the future. Secondly, I would like to talk about the November 1st workshop report that I had submitted. Over the last couple months local residents have expressed concerns and questions to me regarding certain City credit card transactions that have occurred over the last few years. The purpose of the November 1st workshop was to review information regarding the subject and investigate the concerns in an open forum. I reviewed the information

provided to me by residents and staff and produced a report containing my questions, analysis, findings, and recommendations. I conducted this investigation to the best of my ability in a non-biased manner. I submitted this report to Mr. Anderson on the morning of November 6, 2012 and am officially submitting it as part of my report tonight.

Councilman Rahm presented on his report as outlined in the November 15, 2012 City Council minutes.

Councilman Ingemann – Nothing to report

Councilman Sumner – Would you care to share how many citizens and who have asked for these documents?

Councilman Rahm – I would need to go back through my notes but can name a few of them.

Councilman Sumner – I'm withdrawing that request, I'm just asking for a number.

Councilman Rahm – It's been about half a dozen.

Councilman Sumner – And in summary you found that there was nothing that could be construed as a mishandling?

Councilman Rahm – It is unclear to me with previous policy whether or not credit card receipts were required because of a spending threshold level.

Councilman Sumner – Ok. I would also like to add to the record at this time that a request was made of the Superintendent of Public Works and the Chief of Police for them to state the fact that they did review the purchases made with their credit cards so some of the claims made earlier that there was no oversight were not accurate.

Councilman Rahm – I do state that in my report.

Councilman Sumner – I do have one clarification that needs to be made. In a report made by Mr. Avise for the Bulletin, I stated that I had two married daughters and he changed it to me being married. I am not married. I would also like to thank all of those who came out to vote, particularly those who came out to vote for me. I'm glad the voting went the way it did. I think it turned out well and I'm looking forward to doing good work for Newport.

Councilman Gallagher – Nothing to report

Mayor Geraghty – The only thing I would like to add to your report, and we talked about this at the workshop, that it was unfortunate that there was a perception out there that staff and City Council had been doing something wrong because they weren't.

Councilman Rahm – I do have a question for the Attorney. I've submitted my report as part of the record, is there anything else such as an adoption or finding of fact?

Mayor Geraghty – The record's clear, it's your opinion and the Council will need to decide where it goes in the future.

Attorney Knaak – Given the fact that Councilman Rahm made this report to you, the Council may want to make a formal action to receive it.

Mayor Geraghty – Well we'll acknowledge his report has part of the minutes.

9. ADMINISTRATOR'S REPORT –

A. Transit Station

Sherri Buss, TKDA Planner, presented on this item as outlined in the November 15, 2012 City Council packet. There are two outstanding issues that still need to be addressed. The first issue is that there needs to be some temporary access control to the Chicago Milwaukee Saint Paul Railway tracks after the existing fencing is removed. A condition has been added to address this issue. The second issue is in regards to the west wall of the original site plan. The west wall is the first wall that individuals will see when they enter the site and is blank, which conflicts with the City Code. There has been an ongoing conversation with the applicants in regards to how this issue can be resolved. It is recommended that a condition be added to Resolution No. 2012-39 to require the applicant to continue to work with the City to revise the design for the Transit Station building and site to address the zoning ordinance requirement that the façade of the building along all streets include clear class windows and doors to create pedestrian interest and so that the interior of the building is visible from the street.

Mayor Geraghty – I would like to inform the public of the timing of the whole project so if Andy could speak to that.

Andy Gitzlaff, Washington County – If we get approval tonight, we will start preparing the bid packages right away, we hope to start demolition in the spring, construction in the summer, and a grand opening in the fall.

Councilman Ingemann – Dan would you be available to be on the committee that Sherri recommended?

Dan Lund, Planning Commission Member – Yes

Councilman Sumner – Does the roof have a hard surface on it? Also, will the canopy extend over the buses?

Admin. Anderson – The canopy does not go over the buses.

Stuart Krahn, Stantec – At this point it does not extend over the buses. There is about six (6) feet between the canopy and buses. There are not a lot of buildings where a canopy extends to the buses. There is a complete rain cover on the top.

Councilman Sumner – What is the life expectancy on the roof? I saw somewhere that it was five years.

Andrew Dull, Julie Snow Architects – The warranty is for non-yellowing but the material will last longer.

Councilman Sumner – If it does need to be replaced is that something the County will be responsible for?

Mr. Gitzlaff – Yes, it's a County facility.

Councilman Rahm – Have you looked at things like using natural lighting in the roof or is it completely solid?

Mr. Krahn – It is a see-through roof.

Motion by Ingemann, seconded by Sumner to approve Resolution No. 2012-38. With 5 Ayes, 0 Nays, the motion carried.

Motion by Ingemann, seconded by Sumner to approve Resolution No. 2012-39 as amended. With 5 Ayes, 0 Nays, the motion carried.

Motion by Rahm, seconded by Gallagher to approve Resolution No. 2012-40. With 5 Ayes, 0 Nays, the motion carried.

Motion by Gallagher, seconded by Sumner to approve Resolution No. 2012-41. With 5 Ayes, 0 Nays, the motion carried.

B. City-wide Safety Program

Admin. Anderson presented on this item as outlined in the November 15, 2012 City Council packet.

Councilman Gallagher – When you have the accident review meeting, does anything come to the City Council?

Admin. Anderson – We can provide minutes of the meeting. The accidents that we've gone through so far are truly accidental things.

Councilman Gallagher – Do you take minutes?

Executive Analyst Helm – They have in the past.

Councilman Sumner – Is this something that's been in place?

Admin. Anderson – The City-wide program was implemented in April 2011 but the Police, Fire and Public Works have always had safety programs in place. The City-wide program was recommended by the League.

Motion by Gallagher, seconded by Rahm to approve the City-wide Safety Program. With 5 Ayes, 0 Nays, the motion carried.

C. City of Newport's Emergency Operations Plan

Admin. Anderson presented on this item as outlined in the November 15, 2012 City Council packet.

Councilman Gallagher – Northern States Power, isn't that the same thing as Xcel Energy?

Councilman Ingemann – Xcel owns Northern States Power.

Councilman Gallagher – We have both Northern States Power and Xcel Energy under utilities so I would think we only need one of those.

Councilman Rahm – If we have a disaster, do we have a City resumption plan? How would we get back online if this building were to go away?

Admin. Anderson – Atomic Data Center would be able to provide the backup for us. We would need to buy new computers and a new server so it would take a few days.

Councilman Ingemann – What about the paper records?

Admin. Anderson – Renee has been scanning documents since she started.

Executive Analyst Helm – I haven't gone back and scanned every paper copy just documents since I've been here.

Mayor Geraghty – We might want to look into that in the future.

Admin. Anderson – I know our HPC consultant has been looking for grants to get us going on that.

Motion by Geraghty, seconded by Sumner to approve the City's Emergency Operations Plan. With 5 Ayes,

D. Resolution No. 2012-42 – Adopting the Washington County All-Hazard Mitigation Plan

Admin. Anderson presented on this item as outlined in the November 15, 2012 City Council packet.

Councilman Rahm – I can see why some of the things are sensitive but I think it's nice for the public to understand that we have plans and what they entail.

Councilman Ingemann – Well you don't want to provide information to your enemies.

Councilman Rahm – I understand that but we also want to be transparent.

Mayor Geraghty – If someone put in a public data request for this would the County be able to tell them no?

Attorney Knaak – Yes.

Motion by Ingemann, seconded by Sumner to approve Resolution No. 2012-42 adopting Washington County's All-Hazard Mitigation Plan. With 5 Ayes, 0 Nays, the motion carried.

E. Ordinance No. 2012-13 – Amending Chapter 4, Licensing

Executive Analyst Helm presented on this item as outlined in the November 15, 2012 City Council packet.

Councilman Sumner – So all peddlers will be viewed as one unit?

Executive Analyst Helm – Yes

Councilman Sumner – Do we have a lot of problems with people coming in?

Admin. Anderson – You'll typically get this after a hail storm.

Councilman Gallagher – Do we have a lot of people coming in for permits?

Executive Analyst Helm – Since I've started, I've issued about six (6).

Councilman Sumner – What are the penalties for not?

Councilman Gallagher - \$700. What about girl scouts?

Executive Analyst Helm – We do not have anything in the Code so they would be allowed. We can add language exempting girl scouts, boy scouts, any non-profits such as that. I would add language to Section 455.02.

Councilman Rahm – Are they required to carry anything with them?

Executive Analyst Helm – Yes, they get a certificate that they are required to carry.

Councilman Rahm – What about farm stands?

Executive Analyst Helm – They are exempt from registering per Section 455.04.

Motion by Sumner, seconded by Gallagher to approve Ordinance No. 2012-13 as amended. With 5 Ayes, 0 Nays, the motion carried.

10. ATTORNEY'S REPORT –

Attorney Knaak – I have been asked to address the open meeting law. I would like to suggest that I provide a quick lesson on it at the next workshop meeting. I want to remind you that wherever any three of you do meet you need to be very wary of that fact because if and when you start discussing City business you run a very serious risk of violating the open meeting law.

Councilman Ingemann – That pertains to members of boards as well correct?

Attorney Knaak – Correct. I would suggest you post a notice if three or more of you will be at an event.

11. POLICE CHIEF'S REPORT – Nothing to report

12. FIRE CHIEF'S REPORT – Nothing to report

13. ENGINEER'S REPORT – Nothing to report

14. SUPERINTENDENT OF PUBLIC WORKS REPORT –

Councilman Sumner – How's the salt supply?

Superintendent Hanson – We have an ample supply of salt this year.

15. NEW/OLD BUSINESS

Mayor Geraghty – I just want to say that I'm looking forward to working with everyone for the next two years. I think we all have a good indicator of the issues and I think it would be a good idea to revisit the strategic plan in January.

16. ADJOURNMENT

Motion by Geraghty, seconded by Sumner, to adjourn the regular Council Meeting at 6:35 P.M. With 5 Ayes, 0 Nays, the motion carried.

Signed: _____
Tim Geraghty, Mayor

Respectfully Submitted,

Renee Helm
Executive Analyst

City of Newport – City Council Workshop Meeting – Held November 1, 2012**Report of Council Member Tracy B. Rahm**

This document is an investigational report that includes my personal meeting notes, questions and findings undertaken as an independent member of Newport's City Council. This report is provided to Council as part of my investigation into questions brought to my attention by concerned Newport Residents about missing city credit card receipts and questions regarding the exact city business purpose relating to some credit card transaction summaries provided to Newport Residents by Public Data Requests. This report is intended to supplement, but not replace, the official workshop meeting notes. This report is my personal notes, findings, recommendations, and conclusions concerning this matter.

I. Discussion Regarding Credit Card (CC) Receipts for 2011-2012

The workshop session was held after the regular city council meeting on Thursday, November 1, 2012 with full council present. After workshop roll call, scanned images for exhibits items labeled A through E of workshop agenda and packet (339 pages –not include in this report) were reviewed by full Council at the workshop and made available to the public on the city's main website. The workshop meeting discussion centered on agenda items in the packet. The following are the highlights of my meeting notes, questions and analysis only.

- A. **QUESTIONS:** I reviewed the city's Public Data Requests (PDR's) log and I asked our City Administrator if the provided record was correct and asked if the city fully complied with all PDR's?

ANSWERS: Mr. Anderson told Council yes and that city staff had fully complied with all PDR requests and provided all requested records (that city possessed) in a reasonable amount time.

FINDINGS: Council was told that PDR's come through the Chief of Police, who documents the request and passes it to city staff for fulfillment. City PDR log review shows that all relevant request entries regarding this subject were made by NEWCO or Pauline Schottmuller. However, Ms. Schottmuller was the only person who signed all public data requests.

I have no reason to suspect the validity of the city PDR records and logs provided and believe they are true, correct and accurate. I believe Newport's city administration acted in good faith and provided all requested PDR records that it possessed in an appropriate format and in a reasonable timely manner.

I also noticed that all PDR request asked for "statements", "bills", "employee numbers", "Bank statements", "check registers" and not necessarily "receipts" for the above. PDR did request "gas receipts" for the refinery and Super America.

- B. **QUESTION:** I specifically asked Mr. Anderson where Mr. Flood obtained his city 2011 CC statement documentation that he [Mr. Flood] provided to Council since his name was not listed on city's PDR log.

ANSWER: Mayor Geraghty answered the question that he [Mr. Geraghty] was personally told by Mr. Flood the he [Mr. Flood] had received the city's CC statement documentation from Pauline Schottmuller and Mr. Anderson nodded in the affirmative.

Additional Note: Mr. Flood did not allege any misconduct or wrongdoing by any city employee or Council member, but did present the CC statements as documentation to question the lack of receipts and city business purpose explanations on some of the CC transactions for the 2011 statements in his possession.

FINDING: The scanned images provided to Council by Mr. Flood are CC statements only (no receipts) from Dec. 03, 2010 through Dec. 1, 2011. The statements provided were in correct monthly sequence order, with no missing monthly statements. Therefore, it is reasonable to conclude that the original source of the 2011 CC statement documentation provided by Mr. Flood to the City was from NEWCO's and Ms. Schottmuller original PDR's.

I detected no evidence from any the scanned images provided in the packet of any manipulation or falsification of this documentation. There was evidence of normal redactions of sensitive or private information (CC numbers etc.) on the scanned images consistent with publication and release under Minnesota's data privacy act.

- C. **QUESTION:** Since some of these CC statement records for 2011 listed specific transaction charges that were noted as questionable by residents, I specifically asked City Administrator Brian Anderson for the exact city business purpose on his CC account for the "Zumbro Falls Golf Club" (transaction charge dated 06/29/12, page 34/339 of packet) obtained from Mr. Flood's 2011 CC statement documentation.

ANSWER: Mr. Anderson told Council that it was for a gift card for Wanda Swarthout, former Deputy Clerk as a retirement award.

FINDING: The Zumbro Fall Golf purchase is listed in the 2011 credit card summary as "Wanda retirement gift", but the entry also listed the receipt as missing.

I believe the golf course charge could be reasonably construed as a customary gift with a nominal value and I could not find any documentation where such an award or purchase would be in direct violation of written city policy.

RECOMMENDATION: If the Council is not satisfied with the answer or documentation provided, a follow-up question could be submitted to Ms. Swarthout to see if a golf course gift card was given to her during this time frame. That would provide independent verification of the transaction record.

- D. **QUESTION:** I asked Mr. Anderson about the general nature and city business purpose of charges made in 2011 (noted from Mr. Flood's documentation) for restaurant meals, travel etc., but I did not mention specific charge transaction dates.

ANSWER: Mr. Anderson told Council that these basically were for normal staff meals while conducting city business on local or seminar/training travel or for taking clients out to lunch as a business courtesy when discussing possible city activities or other city business items.

FINDING: I can find no supporting documentation in many of these instances (due to missing receipts or no written explanations provided) to independently verify whether these charges were for a legitimate city purpose, who attended these restaurant meals, or the nature of the city business discussed. I believe this is an example of a prior weak city internal control policy with inadequate receipt documentation or explanations retained by the city as identified by the NEWCO report. This control issue has since been reviewed, addressed and rectified by Council by updating the city's internal control policy.

However, since the Internal Controls Policy was recently updated, it is unclear to me if detailed CC receipts were required by previous city Internal Controls policy or not? The current Purchasing Policy that was not amended lists required purchasing documentation by amount and lists "Discretionary" for required documentation for "operating budget purchases" under \$250. (City of Newport Purchasing Policy, Section IX Operating Budget Purchasing Levels, Table at bottom of page 8) Again, it is unclear to me if the CC expenditures for staff meals, travel or vehicle fuel etc. would be considered normal budgeted operational expenses and therefore receipts would have been discretionary and may not have been require by prior city policy.

RECOMMENDATION: This issue and the current purchasing policy language should be further reviewed by Council since the amended Internal Controls policy under Section 5, Credit cards, states: (page 5) *"The corporate credit card or purchasing card is not intended to replace or circumvent the City's Purchasing Policy."* The intent of Council is to make sure these two policies to not conflict with each other and that all City CC receipts and explanations are 100% required for retention and are not discretionary.

- E. **QUESTION:** I asked Mr. Anderson about the general nature of various office supply and gasoline purchases and how Council can be assured that these charges were for legitimate city purpose? Again, I did not specifically mention CC charge transaction dates.

ANSWER: Council was told by Mr. Anderson with verbal concurrences provided from Police Chief Montgomery, and Public Works Superintendent Hanson that these were for normal operational expenses and they review all CC charges for their department and staffs on a monthly basis for any abnormalities as part of their normal managerial and supervisory duties and Council was told that we have to have "trust" in their leadership capabilities.

FINDING: Again, I could find no supporting documentation for many of these CC transactions (missing receipts /no purpose stated). However, I have no direct evidence to the contrary of statements provided by staff and I do believe these CC charges are periodically reviewed by departmental leadership heads as a regular part of their budget management/supervisory responsibilities to independently verify that these charges were for a legitimate city business or activity.

However, I did point out at that weak internal control (independent CC expense review/approval) for the City Administrator's CC charges still exist because, as the overall departmental management lead, this position does not have an independent review (other than full council approval of total monthly city expenditures) of these charges or receipt submissions. The Mayor concurred and said we need to develop "some sort of review procedure, perhaps by the Police Chief."

RECOMMENDATION: This internal control can be greatly improved by requiring independent review of the City Administrator's monthly CC charges and receipts by another city staff department head or by a sitting City Council member on a rotating basis. This should be an item for additional Council review and resolution.

F. QUESTION: I asked staff and the Council about the spending authority level of the City Administrator position?

FINDINGS: The City's Purchasing and Debt Management policies include internal controls procedures for city expenditures, approval authority limits, competitive bidding procedures, and a table outlining the spending authority of various department head positions by expenditure type and value. Current city policy allows the City Administrator position to approve/spend up to \$9,999 for budgeted items and up to \$1000 for discretionary unbudgeted items with no additional approval needed. All CC expense items reviewed were within the position approval range. Again, since the Internal Controls Policy was recently updated, it is unclear to me if detailed CC receipts were required for many of the CC charges under question by the previous city Internal Controls policy. (City of Newport Purchasing Policy, Section IX Operating Budget Purchasing Levels, Table at bottom of page 8.)

Finally, I also asked the full Council if anyone had any additional questions or concerns that they thought suggested any unusual or misappropriate CC charges or city expenditures and I heard no objections from any of the other sitting Council members.

Council then proceeded to the next agenda item.

OTHER REMAINING ISSUES (These were not brought up at the Workshop, but were from my notes and findings from my post meeting analysis)

- A. There are multiple CC charges for department stores like Kohl's or Target in 2011 without clear documentation of what these items were or if they represent legitimate city business purpose expenditures. There were no receipts provided (only a staff prepared CC summary listing by month for years 2012 to 2007) for most of the 2011 CC charges, but staff state in an analysis document that 51% of receipts were not submitted for 2011 (Leaving about 49% of the remaining transactions with receipts). I have not seen these remaining 2011 receipts because this documentation has not yet been provided.

RECOMMENDATION: I believe this is a remaining follow up item to be provided to Council.

- B. I also reviewed the city's CC statement summaries by staff members going back to 2007 with other administrations and Councils in office and I saw similar historic CC spending patterns for staff travel, seminar/training, restaurant, office supplies, florists, and fuel expense charges, many of which were without receipts or adequate explanation documentation provided.

RECOMMENDATION: I believe further research into pulling the records of the merchant sources, etc. on what exactly was purchased for transactions without receipts for all years under review may be the only way to answer this question to the full satisfaction of Council or other concerned residents. Since requesting and pulling merchant CC transaction records going back to at least 2007 would take additional staff time and resources, I will let Council decide if this action is required or necessary.

II. Discussion Regarding Credit Internal Controls Policy

Documentation on the city's internal control policy was reviewed by Council. Only my notes are contained herein.

- A. A general discussion on the adequacy of city internal controls and audit findings was conducted by Council. City Administration invited the city's Auditing firm to speak about the auditing procedure and the city's audit reports. There were some discussion about the capabilities of previous city staff, but nothing that I thought was really germane to the issue. See official workshop meeting notes for more detailed information. Therefore, no further policy improvements were recommended.
- B. I commented on general pattern of expenditures for office supplies by multiple city departments/staff and asked if it was appropriate for many separate staff to purchase office supplies or was it better to consolidate and/or centralized the procurement of such items to a designated city staff member to coordinate/review purchases and possibly obtain better pricing discounts. This was with regards to improve city administrative control and lessen any resident perceptions that staff maybe purchasing office supplies for home use with city funds.

There were multiple discussions from Council and concerned residents about the pros/cons of such an approach and the necessity to trust city staff in this matter. No further policy

improvements were recommended except the new requirement for 100% receipts are now required.

- C. I commented on general expenditures for gasoline and fuel by multiple city departments/staff and asked if there was a way to ensure that city staff was only filling city vehicles as appropriate and not fueling personal vehicles.

Again, there were multiple discussions on the adequacy of existing controls or the need for additional fuel charge controls, mileage logs etc. and it was considered a normal managerial and supervisor review duty and the necessity to trust city staff in this matter. No further policy improvements were recommended except the new requirement for 100% receipts are now required.

The review and approval of the City Administrator position CC charges was discussed as a potential internal control improvement area as previously discussed (for additional staff or council review procedures) and will be reviewed by staff for additional improvements to the city internal controls policy.

- D. I also suggested to staff to put a revision or last review date on all city policy documents as they are changed or come up for review. The documents did not contain any revision dates on them and I think that is good policy documentation practice. Staff agreed to do that at revisions in the future.

Council then proceeded to the next agenda item.

III. Discussion Regarding the 2013 Budget

Council reviewed proposed 2013 budget and projected 5 year plan. Multiple discussions are contained in official meeting minutes. No additional meeting notes in this area.

IV. Adjournment

Meeting was adjourned.

FINAL REPORT CONCLUSIONS & RECOMMENDATIONS:

Multiple city residents have expressed questions and concerns to me regarding city credit card transactions over the past few years obtained through public data record requests. The purpose of this workshop meeting was to review and answer these questions and concerns in an open public forum. My final conclusions and recommendations from this workshop meeting are as follows:

1. I can only reasonable conclude that without sufficient receipts, explanation documentation, and/or additional CC purchase transaction records pulled direct from the merchant sources, it is

impossible for me to ascertain with 100% certainty whether or not past CC charges in question were made for legitimate city business purposes. Hence, the need for better internal city controls that have since been updated.

2. Furthermore, it does appear to me from inspection of CC summaries prepared by staff that similar city CC spending patterns have existed for a while, through previous Councils and Administrations, and that these patterns go back at least as far as the city records (2007) I have personally examined. I cannot ascertain with 100% certainty whether or not some of these older CC charges were made for legitimate city business purposes for the same reasons as stated in point number one.
3. I can now only state that I believe recent Council improvements in city internal controls policy requiring 100% documentation of all staff CC charges, including receipts and explanation of legitimate city business purpose, will provide for sufficient evidence to alleviate any questions of misappropriation of city fund expenditures in the future.
4. In addition to previous recommendations made in this report, I recommend Council should review the City's Purchasing Policy to make sure it does not conflict in any way with the recently updated City Internal Controls Policy.
5. I recommend Council review City record retention policies and define specific time retention limits for CC receipts. (Suggest 7 years unless otherwise defined by statute) The City's Purchasing and Tax Compliance policy list retention times for bids, quotations, and bond-financed records in accordance with Minnesota statutes, but does not specifically mention credit card receipts. The City Internal Controls policy does not define CC receipt retention time either.
6. I recommend to Council that periodic (suggest monthly) review of the City Administrator position CC charges and receipt collection by another city departmental head to create an additional internal purchasing control as previously discussed in the workshop meeting. If this is not desirable, then I recommend rotating periodic review among the sitting Council Members.
7. I further recommend Council should consider conducting regular reviews (suggest annually) of all major internal city policies for periodic administrative changes/updates as part of an ongoing commitment to continuous improvement and operational best practices.

End of Workshop Report.

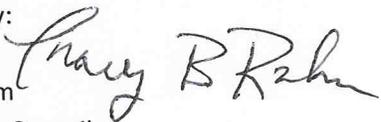
Submitted by:

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11-6-2012