



**City of Newport
City Council Minutes
December 17, 2015**

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; Dan Lund

Council Absent –

Staff Present – Deb Hill, City Administrator; Bruce Hanson, Supt. of Public Works; Renee Eisenbeisz, Executive Analyst; Fritz Knaak, City Attorney;

Staff Absent – Steve Wiley, Fire Chief; Jon Herdegen, City Engineer;

4. ADOPT AGENDA

Mayor Geraghty - I do want to pull item 5.D from the consent agenda, there's a change that the homeowner wishes to make.

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

5. ADOPT CONSENT AGENDA

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

- A. Minutes of the December 3, 2015 Regular City Council Meeting
- B. List of Bills in the Amount of \$131,078.23
- C. Kennel Permit

With 5 Ayes, 0 Nays, the motion carried.

D. Farm Animal Permit

Kim Brown, 1675 Kolff Street - I would like to apply for additional horses, I'm willing to pay \$1,000 a year in addition to the \$25 I already pay.

Executive Analyst Eisenbeisz - She has six horses right now and is requesting 14. We would need to amend the City Code if the Council wished to increase that number.

Mayor Geraghty - We'll research it and bring it forward at the January meeting.

6. VISITORS PRESENTATIONS/PETITIONS/CORRESPONDENCE

7. MAYOR'S REPORT – Nothing to report.

8. COUNCIL REPORTS –

Mayor Geraghty - If you have something to say related to the law enforcement, please keep it until that time.

Councilman Rahm - We've received a reimbursement from the South Washington County Telecommunications Commission. It's from the fees that are in excess. It was a little over \$12,000 this year. That's under review, if that will continue in the future. They've hired a consulting firm to review that policy. The member cities are Cottage Grove, Woodbury, and St. Paul Park.

Councilman Ingemann - Nothing to report.

Councilman Sumner - I attended the groundbreaking ceremony for the new food shelf in St. Paul Park. I encourage people to support that organization. It has an important position and function in our community.

Councilman Lund - I met with Commissioner Bigham and relayed my concerns regarding a house-centric project in the TIF district. She was very receptive and I said that it's important to get some businesses in there so if the City moves forward with making a substantial contribution through TIF that we get a good return on investment. I also met with Deb, Senator Sieben and Representative Schoen on the I&I issue and they were very helpful on that. They were receptive in potentially finding us some funding for the utilities under 1st Street.

9. ADMINISTRATOR'S REPORT –

A. Public Hearing - To Review Charges Against Troje's Trash and Recycling from the MN Department of Revenue for a debt owed

The public hearing opened at 5:36 p.m.

Executive Analyst Eisenbeisz presented on this item as outlined in the December 17, 2015 City Council packet.

The public hearing closed at 5:38 p.m.

Jeff Marone, Republic Services - We are a customer-service focused business and understand the intent of the ordinance to reduce wear and tear on the streets. I ask for a simple delay of six months to a year. I am new to the company and just learned of this requirement a couple months ago. We had 53 at that point and have increased it to 82 since.

Mayor Geraghty - Can we waive that tonight?

Attorney Knaak - You can if you wish.

Councilman Lund - So we gave them notice that Troje's license might be revoked. I think it makes sense to waive it for 2016.

Councilman Rahm - If the idea is to spur competition.

Councilman Sumner - And you continue to actively seek customers?

Mr. Marone - Yes.

Councilman Rahm - Can other haulers come in since we're waiving it?

Executive Analyst Eisenbeisz - No because we're just waiving it for Republic

Motion by Geraghty, seconded by Lund, to approve Resolution No. 2015-49 waiving a requirement in Section 440.06, Subd. 1 for Republic Services for 2016. With 5 Ayes, 0 Nays, the motion carried.

B. Public Hearing - To Consider an Interim Ordinance Establishing a Moratorium on Development in Portions of the Residential Estates Zoning District

The public hearing opened at 5:41p.m.

Sherry Buss, TKDA Planner, presented on this item as outlined in the December 17, 2015 City Council packet.

Councilman Sumner - There were some time limits, can you touch on those?

Ms. Buss - It's one year with an extension of 18 months. I think the Engineer is confident that we can get it done in one year.

Councilman Sumner - And you've reviewed this Council?

Attorney Knaak - Yes.

The public hearing closed at 5:44 p.m.

Councilman Lund - We have the ability to pull it back at any time but given the significant investment we're looking at for sewer and water, I think it makes sense.

Ms. Buss - We also haven't heard from anyone that this might hurt.

Motion by Sumner, seconded by Lund, to approve Ordinance No. 2015-9. With 5 Ayes, 0 Nays, the motion carried.

Motion by Sumner, seconded by Lund, to approve the Summary of Ordinance No. 2015-9. With 5 Ayes, 0 Nays, the motion carried.

C. Law Enforcement Services

Mayor Geraghty - We can take these in any order. I know it's an emotional issue and would ask everyone to remain civil and focused and not get into any employee's performance or anything in that nature. I want to discuss the pros and cons and hopefully we can make a decision tonight and move on.

Councilman Ingemann - I'll move Resolution No. 2015-XX to hire a chief. The system is broke and we need a leader. The people out here don't care how much it'll cost, they won't see any savings.

Councilman Rahm - I'll second it.

Councilman Ingemann - Any savings you think will be there won't be because the school district just jacked everything up. These guys have been here, they're working hard and busting their butt. All we need is a chief and the one we had was anything but.

Mayor Geraghty - We're not going to talk about performance.

Councilman Ingemann - I know, I'm not.

Councilman Sumner - You just did.

Mayor Geraghty - You just did. As far as taxes go, we don't control the school district taxes, we control ours.

Councilman Ingemann - The system's broke, we just need a leader.

Mayor Geraghty - I agree with that, how we get there, we may not agree,

Councilman Rahm - I think it's a very important strategic question that we're talking about tonight. It affects our residents tonight and for the next foreseeable future. The decision, in my opinion, is whether or not we disband our police department and contract with the County. I want to thank and believe that the County did an excellent job of providing augmentation for our police services and stepping in at a difficult time and auditing our procedures and shed some light on things we need to improve. I'm not happy with some of the performances we've had in our police force and operations but do believe that Newport having its own police department is beneficial in the long term. It gives the opportunity for the community to directly control its police services and make any changes it wants to. Washington County has excellent capabilities and opportunities for its police force. There are pros and cons. I want to sit there and say that as I make my decision, I'm looking at the health of Newport long term and the cost and benefit. It's hard to put a cost on things. I do commend the Council, you have always looked at decisions and being able to look at them in a good, evaluative manner and being frugal and cost-competitive. I think this issue is about leadership and strategic direction. I would ask you to look at the long-term and think what the best thing is for Newport. The easier thing to do is outsource to the County because we don't have to clean it up. The tougher thing to do is clean it up, hire a new chief and fix things. When I ran for election, I commend myself for fixing Newport and improving our police operations. I made a commitment when I campaigned and I'm going to keep that, which might not make any sense but I'm going to keep that commitment.

Councilman Lund - I think it's very convenient to blame leadership. Policing has changed in this country. I think it's more difficult to run a small police department then it was 10 years ago, certainly 20 years ago. I think technology, training, equipment, policies and procedures are changing. There are more lawsuits against police officers. It's more expensive to run a small police department. I know a lot more than when I ran and what I learned is that I don't think it makes fiscal sense for a city this size to keep its own police department. It's not what other cities our size have done and I think we've seen some of the problems that can come out of trying to hold costs down for 24/7 policing. I don't think we can afford to spend more on our police and I think to have a healthy department, we would have to. The simple matter is that Newport is not big enough to support its own police department with 24/7 coverage. I think the Newport Officers should be very proud of their service. I think our former Police Chief should be proud that he held it together as long as he did. I do not think it's fair to blame all the problems on him because it's a difficult thing to do to keep a police force this size running when you have one guy on 24 hours a day. We stretched them really thin doing that. I don't think it makes sense to continue. I know a lot of people will be disappointed, it will be a big change if we decide to outsource but I don't think we can continue down this path. I think we've seen what it gets us and I think it's time to make Newport healthier by doing what most or nearly every community our size has realized, that having 24/7 coverage is too expensive for a community our size.

Councilman Ingemann - The reason they were stretched so thin is because the Councils before were trying to save money. They were the ones that eliminated the sergeant position which stretched these guys to the thin line they are now.

Councilman Lund - We spend more on our policing per capita then some cities in Washington County spend on their entire budget.

Councilman Ingemann - And the citizens don't care.

Councilman Lund - They do care, they voted against the school referendum. I know those kids need the money more than we do. If what we have to do to maintain 24/7 coverage is go to Washington County, I think that's where we can find our citizens some savings.

Councilman Rahm - When you look at a per capita basis, we are higher because we have a lower population. I think the number that's more important is the cost per officer hour. It's the same cost in Washington County or somewhere else. I guess your argument is that because we're a small community, we can't afford that. I disagree with that. I don't think the savings with outsourcing will be there because providing the officers, equipment and training will cost the same.

Mayor Geraghty - Except we won't have a chief so there will be a savings. When I started this when the Chief retired, my number one priority was public safety. It still is and I believe going to the County, they have the infrastructure, backup, procedures, policies, supervision and leadership for that. Better than having a small town chief.

Councilman Rahm - I don't disagree with that.

Mayor Geraghty - Number two was protecting the Officers' jobs and I've succeeded in doing that. My third was savings if we could accomplish them along the way and we have.

Councilman Sumner - If it passes.

Councilman Rahm - In this interim contract, we actually spent a little more than we would have. When it comes down to it, it proves that the cost for labor is the cost. My thing is that if we think we're too small to provide a police force, that's a different issue.

Councilman Lund - I agree, the labor cost is going to be the same but we're going to save on a Chief. Where we've really fallen off is the rest of it. The organizational and structural issues. They cost money to keep up to date.

Councilman Rahm - I agree but I disagree, that's a leadership issue about you manage your officers and department. The buck has to stop somewhere and it stops at us in the Council.

Councilman Ingemann - In two years, it'll cost more to reinstate the police department.

Mayor Geraghty - That's a true statement. If that happens.

Councilman Ingemann - And it will.

Councilman Sumner - I'm going to take a big step forward. I see a lot of officers in the back of the room. There's talk about leadership, there's also responsibility of the employees. No leader told them, and there are things in public, I don't think any leader told them to go do those things that we now know happened. I think we need a change of the leadership that can be provided by the Sheriff's Department. A new look at things. From the beginning, I have been in support of keeping the same officers as they shift to the County. There were things that were not known by the majority of the citizens until just recently. An attempt was made to solve one issue, it was done privately. Another issue was brought forward into arbitration which made all of the evidence and information public. The public now knows a majority of what is available. This has been confirmed through a Dakota County investigation and the findings were affirmed by an arbitrator. These are not findings that are just made up. They were documented and confirmed. At this point, I think we need to go where the leadership and higher degree of responsibility is available. If at the end of two years, there's a reason to change back, it could be done. This is not like the construction of Highway 61 where it can't be changed. This could be if it was deemed in the best interest of the citizens. I don't think hiring a Chief is the responsible step to take.

Executive Analyst Eisenbeisz conducted a roll call vote:

- Councilman Rahm - Yes

- Councilman Ingemann - Yes
- Councilman Lund - No
- Councilman Sumner - No
- Mayor Geraghty - No

Motion by Ingemann, seconded by Rahm, to approve Resolution No. 2015-50 directing staff to seek candidates for the position of Chief of Police for the purpose of hiring an individual. With Ingemann and Rahm voting Aye and Geraghty, Sumner, and Lund voting Nay, the motion failed.

Mayor Geraghty - I'll make a motion to approve Resolution No. 2015-50 to contract for police services from the Washington County Sheriff's office.

Councilman Sumner - I'll second. I'll again say, the Sheriff and Washington County had told us that the intention was to bring forward the current officers even with the knowledge of the first series of events. I haven't heard that it'll change. To my knowledge, they'll also be serving in Newport if they choose. I also understand that there may be some pay raises. I hope that the officers who get those aren't offended by that. I hope that the officers whose pay is kept steady understand that. I hope the citizens understand that this is not being made lightly but there's a tremendous amount of information available and a resolution to conduct a second investigation. I have no idea of what happened with the second issue, I want an independent investigator tell us what happened. In the meantime, I think we need the Sheriff to provide the leadership so I'll vote yes.

Councilman Lund - I think our Officers and department should be very proud of the services they provided. I don't think we need to focus on articles. I think that's a very minor part of the legacy and the real legacy is with the community and support that's been demonstrated throughout this process. It should be something that they should be proud of. I'm proud to be in a community where people are this interested and love their guys. I hope they choose to stay policing Newport under the County's leadership.

Councilman Ingemann - They may be assumed by the County but it doesn't say anywhere that they'll stay in Newport. They could place them anywhere in the County. If you're in fantasyland thinking they won't do what they think the County needs to do. That's a fact, they could end up anywhere in the County. It doesn't say as police, just employees. It doesn't say they'll stay in Newport. If you want to think that's great, go for it. I don't agree.

Councilman Rahm - I think we've all agreed in a roundabout way that changes are needed. I think we disagree on the approach. I do think, what's in the best interest of Newport long-term. I share the Mayor's concern about public safety. I'm a little less on the cost perspective because we've increased our fund balance, it's not like we're against the wall.

Councilman Lund - Our residents' backs are against the wall. We're burying them in taxes.

Councilman Rahm - We've kept it flat for years.

Councilman Lund - Because it doubled ten years ago. Just because we've been charging too much doesn't mean we should continue to do so.

Councilman Rahm - I agree at looking at things but it depends on what you believe are core services and how you want to provide those. As long as Newport is independent, it depends on what you think the best policy is.

Mayor Geraghty - There are people in the audience that have come to me on many occasions asking what we're going to do on taxes and this is an opportunity to do something.

Councilman Rahm - How we make such a decisive issue, I'd rather spend on time on how we get new businesses here and clean up Highway 61. I would rather we focus on that then this. There's other things we can do to help

grow the tax base.

Councilman Ingemann - The hundreds of people that have come to talk to me don't care how much it costs to keep the local police.

Mayor Geraghty - We're not taking any public input.

Councilman Ingemann - We have an election next year.

Councilman Rahm - It's an emotional decision.

Mayor Geraghty - I expected there to be standing room only tonight. There's a silent majority that in the end, I think will agree with us.

Councilman Ingemann - I don't think so but you won't be here.

Councilman Rahm - It's a policy direction when it comes down to it.

Executive Analyst Eisenbeisz conducted a roll call vote:

- Councilman Rahm - No
- Councilman Ingemann - No
- Councilman Lund - Yes
- Councilman Sumner - Yes
- Mayor Geraghty - Yes

Motion by Geraghty, seconded by Sumner, to approve Resolution No. 2015-50 authorizing and contracting for police services for the City from the Washington County Sheriff. With Geraghty, Sumner, and Lund voting Aye and Ingemann and Rahm voting Nay, the motion carried.

D. Resolution No. 2015-44 - Approving Levy Certification for Levy Year 2015, Payable 2016, and Adopting the 2016 General Fund Operating Budget, the 2016 Water, Sewer, Storm Water, and Street Light Enterprise Funds, the 2016 NEDA Budget, and the 2016-2020 CIP

Admin. Hill presented on this item as outlined in the December 17, 2015 City Council packet. There are two different resolutions and budgets for Council consideration. The first is a 0% change that was proposed at the December 2, 2015 meeting. The second is for \$100,000 less.

Councilman Ingemann - I'll make a motion we approve the 0% levy. That's what we agreed on. I'm sure there are expenses that will come up that no one foresaw.

Mayor Geraghty - We foresaw them.

Councilman Ingemann - There are more coming.

Councilman Rahm - I'll second it.

Mayor Geraghty - I'm not going to support that. I think we should reduce it \$100,000. I said I would and I think we should.

Councilman Lund - How much are we expected to save between the two budgets?

Admin. Hill - We'll have some expenses. About \$160,000.

Mayor Geraghty - There will be some transitional costs.

Admin. Hill - That'll be about \$65,000 - \$70,000 for vacation payout.

Councilman Ingemann - Which to you and I is nothing.

Councilman Rahm - Not to me.

Councilman Lund - I only support giving back the whole \$160,000, we have enough in our fund budget to cover expenses without changing anything.

Councilman Ingemann - That's not part of the resolution.

Councilman Lund - That's what I'll support. If you guys support no discount and you support \$100,000, we'll be here a long time.

Councilman Rahm - I'll support it as written. There was \$100,000 savings that the Mayor proposed. If this one fails, I'll support that one.

Mayor Geraghty - This is the one for 0%.

Executive Analyst Eisenbeisz conducted a roll call vote:

- Councilman Rahm - Yes
- Councilman Ingemann - Yes
- Mayor Geraghty - No
- Councilman Lund - No
- Councilman Sumner - No

Motion by Ingemann, seconded by Rahm, to approve Resolution No. 2015-44 approving a levy for \$2,430,416. With Ingemann and Rahm voting Aye and Geraghty, Sumner, and Lund voting Nay, the motion failed.

Mayor Geraghty - I'll make a motion to approve Resolution No. 2015-44 approving a levy for \$2,330,416.

Councilman Sumner - I'll second it.

Councilman Rahm - I'll support that.

Councilman Sumner - Mr. Ingemann, what additional expenses do you think...

Councilman Ingemann - I'm not going to talk to you, I'm going to vote no. Roll call, I say no.

Councilman Sumner - We could offer friendly amendments right?

Mayor Geraghty - Depends what it is. Let's just go with dropping \$100,000.

Councilman Sumner - If we drop it the full amount, then we're showing that there will be substantial savings. If there's some expenses that come up which some people think they know but won't share, we have reserves. How difficult is it to take out of reserves.

Admin. Hill - That's possible. There's one thing you need to consider is that for the first three years, you'll be

getting a credit for the cars of \$27,000.

Councilman Ingemann - We're just talking about the first year.

Admin. Hill - You'd have to raise that to break even then.

Mayor Geraghty - There are other ways we can bring down the reserves. There's other land that we can buy.

Councilman Rahm - We need a super majority don't we?

Attorney Knaak - Yes.

Councilman Lund - This Council has been planning forward for more than enough time and we have a lot in our reserves. We have a lot of land that we hope to turn into cash, we don't need to think about 2017. We have lots that we can sell in 2016. We have \$1,000,000 in the general fund. Let's give it back to the citizens. We should stop trying to pay for 2017 in 2016. I'm supporting \$160,000.

Executive Analyst Eisenbeisz conducted a roll call vote:

- Councilman Rahm - Yes
- Councilman Ingemann - No
- Mayor Geraghty - Yes
- Councilman Lund - No
- Councilman Sumner - Yes

Motion by Geraghty, seconded by Sumner, to approve Resolution No. 2015-44 approving a levy for \$2,330,416. With Geraghty, Sumner, and Rahm voting Aye and Ingemann and Lund voting Nay, the motion failed.

Mayor Geraghty - My next would be to drop it \$150,000.

Councilman Lund - I'll support that.

Councilman Rahm - I would be more supportive of the \$100,000 because of the transfers and that's what the real savings is.

Councilman Sumner - There was some concern that we weren't going to give back anything so we're showing that we will.

Attorney Knaak - I stand corrected, it's a simple majority.

Mayor Geraghty - So it passed?

Attorney Knaak - It was stated as failing so it didn't pass.

Councilman Lund - Let's do \$150,000 then.

Executive Analyst Eisenbeisz conducted a roll call vote:

- Councilman Rahm - Yes
- Councilman Ingemann - No
- Councilman Lund - Yes

- Councilman Sumner - Yes
- Mayor Geraghty - Yes

Motion by Lund, seconded by Geraghty, to approve Resolution No. 2015-44 approving a levy for \$2,280,416 and the 2016 budget. With Geraghty, Sumner, Rahm and Lund voting Aye and Ingemann voting Nay, the motion carried.

Mayor Geraghty - So you'll take the savings out of the public safety budget?

Admin. Hill - We'll just take it off of the property taxes and be in the negative. Some of the savings is in capital, which is a different fund.

E. Title Change for Executive Analyst

Admin. Hill presented on this item as outlined in the December 17, 2015 City Council packet.

Councilman Sumner - With the pay study, what impact does this have?

Admin. Hill - Nothing, it's just a title.

Councilman Lund - Whatever Renee's preference is is fine by me.

Councilman Ingemann - Why not just Assistant City Administrator?

Admin. Hill - They have different duties. The Assistant to is more correct for what she does.

Councilman Ingemann - Wanda was the Assistant.

Admin. Hill - No, she was Deputy Clerk.

Councilman Sumner - I think Bart Fisher was for a little bit.

Motion by Ingemann, seconded by Sumner, to approve the title change from Executive Analyst to Assistant to the City Administrator effective January 1, 2016. With 5 Ayes, 0 Nays, the motion carried.

F. Annual Appointments

Attorney Knaak noted that this needs to be done at the first meeting in 2016. The Council directed staff to change one of the members of the Newport Fire Relief Association to Councilman Ingemann since he is retiring from the Fire Department effective January 1, 2016. Additionally, they directed staff to change item #17, the responsible authority to administer requirements for collection, storage, use, and dissemination of data.

Admin. Hill - Dakota County has agreed to do the investigation for us. They'll start in January.

10. ATTORNEY'S REPORT - Nothing to report.

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 are we doing with salt?

Supt. Hanson - Fine.

Councilman Ingemann - Will we have any issues with waterlines freezing?

Supt. Hanson - It depends on how cold it gets and how fast. I'd be more worried about having a wet spring.

15. NEW/OLD BUSINESS

16. ADJOURNMENT

Motion by Geraghty, seconded by Rahm, to adjourn the regular Council Meeting at 6:29 P.M. With 5 Ayes, 0 Nays, the motion carried.

Signed: _____
Tim Geraghty, Mayor

Respectfully Submitted,

Renee Eisenbeisz
Executive Analyst

To: Mayor Tim Geraghty and our esteemed City council,

My name is Tony Mahmood, chairman of the planning commission and proud citizen of Newport.

It saddens me to hear the petition (save our police department) gathered by my wife, myself and others was dismissed without, I feel, due consideration. Yes one petition gathering volunteer and his son are not residents of Newport, but no law or statute was violated that would allow you to dismiss this petition based on that fact alone .

We did not go out looking to change people's views on this issue we went out with one goal and that was to get the signatures of people who care about our police department. This simply was a case of a concerned citizen trying to help you and the council get a better idea of what **we the people** are thinking.

Mayor Geraghty and the esteemed city council members I hope you will not disregard the request of over 300 Newport citizens just because you're not willing to roll up your sleeves and do the hard work of overhauling something that is broken **in the name of saving money**. I wouldn't have voted for you if I didn't think you would do the right thing! So please all of you respect and listen to what **we the people** are saying and do the right thing.

Thank you for taking the time to read this.

Tony Mahmood

P.S. I would hope that one of you would read this aloud so that the 311 people that did sign the petition will know that at least their voices we heard.