

CITY OF NEWPORT, KY
SPECIAL MEETING OF THE BOARD OF COMMISSIONERS
Monday, August 24, 2015
MINUTES

CALL TO ORDER / ROLL CALL

The meeting was called to order by Mayor Peluso at 4:42 p.m. in the Multi-Purpose Room of the Newport Municipal Building at 998 Monmouth Street.

In attendance were: Commissioner Beth Fennell, Commissioner John Hayden, Commissioner Frank Peluso, and Mayor Jerry Peluso. **Absent at roll call*:** Commissioner Thomas Guidugli, arrived at 4:45. Also in attendance were: City Manager Thomas Fromme, City Attorney Daniel Braun, Police Chief Thomas Collins, Community Liaison Bev Holiday, and City Clerk Amy Able.

NEW BUSINESS

The city clerk gave **first reading of O-2015-010**, an ordinance authorizing the issuance of Taxable General Obligation Refunding Bonds, Series 2015 in the aggregate principal amount of \$6,985,000 (which amount may be increased or decreased by up to \$695,000) to refund in advance of maturity the outstanding principal amount of City of Newport, Kentucky Taxable General Obligation Funding Bonds, Series 2007B, the proceeds of which were used to fund certain unfunded liabilities; approving the forms of bonds; authorizing designated officers to execute and deliver the bonds; providing for the payment and security of the bonds; creating a bond payment fund; maintaining the heretofore created sinking fund; authorizing acceptance of the bid of the bond purchaser for the purchase of the bonds; and repealing inconsistent

* ordinances. (Commissioner Guidugli arrived at 4:45 as the ordinance was being read.) Commissioner Peluso made a **motion to approve**. Commissioner Hayden offered a second to the motion. Mr. Fromme addressed the Board reviewing details for the proposed refunding and Mr. Dirk Bedarff, bond counsel of Dinsmore responded to questions. Mr. Fromme is proposing issuing a \$5m bond which will cover the purchase of the Public Works facility and additional items. The current issued bond expires in 2032 and that term remains if refunded and reissued; the new bond (for \$5m) would expire in 2041. While the ordinance details the (general) public purpose, there is some flexibility in the event of projects or allocations that shift while still meeting the intended purpose. (For example, with an item such as property acquisition, you would not specify an exact address in the event purchase of that particular property cannot be made.) Commissioner Peluso stated he had questions about the interest rates, Mr. Bedarff stated he is not acting as financial advisor for the City. Commissioner Peluso asked for the advisor and Mr. Fromme responded they will be present when the bond is issued. It was noted that the projections provided are conservative; short-term rates are very low now and if the Federal Reserve raises rates in September as anticipated, it is expected that short-term rates will begin to rise. This refunding is for debt service savings (not for extending the maturity) and the City can reject the bids if it does not achieve the objectives. The estimated savings, based on a rate of 3.9181% (quoted last week) would be \$162,000. The cost to reissue is built in. Mr. Fromme gave a presentation reviewing the benefit of refunding the current bond and what could be covered with the new issuance. This could include items such as the purchase of the Public Works facility (\$1.2m), underground utilities along the Rt. 8/9 connector (\$1.5m), miscellaneous infrastructure repair (\$900k), and barrel vault (\$600k) and floodwall repair (\$300k). It was noted under water cellular wall work is also needed but the damage amount is currently not known. There are many infrastructure repairs needed. A mast arm inspection report received today from

the State indicates there are currently six mast arms that need to be replaced for Monmouth Street due to deterioration.

Commissioner Peluso: Yes Commissioner Guidugli: Yes Mayor Peluso: Yes
Commissioner Hayden: Yes Commissioner Fennell: Yes Motion carried 5-0.

The city clerk read **R-2015-053**, an order accepting a grant from the U.S. Department of Justice and authorizing the city manager to execute a Memorandum of Understanding with the Campbell County Fiscal Court in connection with the grant. Commissioner Hayden made a **motion to approve**; second to the motion was offered by Commissioner Guidugli. Chief Collins stated the department has aggressively pursued grants and these funds will be split with the County. This option has been under review for a few years and with the current amount of growth in the City and increased traffic flow this is a needed direction and tool to test. Lt. Kunkel and Officer Suszek gave a presentation highlighting the benefits of adding a police motorcycle to the fleet and responded to questions from the Board. They emphasized high visibility, traffic enforcement, reduced costs through gas mileage and maintenance savings, maneuverability, crowd control, escort duty, public relations and recruitment. Mayor Peluso called for any comments from the public concerning the use of U.S. Department of Justice funds from the Edward Bynre Memorial Justice Assistance Grant. No one present commented. Upon hearing there were no further comments or questions, the mayor called for a roll call vote.

Commissioner Hayden: Yes Commissioner Fennell: Yes Mayor Peluso: Yes
Commissioner Guidugli: Yes Commissioner Peluso: Yes Motion carried 5-0.

ADJOURNMENT

There being no further business, Commissioner Peluso made a **motion to adjourn**. Commissioner Guidugli offered a second to the motion. The Mayor asked for a roll call vote.

Commissioner Peluso: Yes Commissioner Fennell: Yes
Commissioner Guidugli: Yes Mayor Peluso: Yes Motion carried 4-0.

The meeting adjourned 5:35 p.m.

Date Approved/Signed

Jerry R. Peluso, Mayor

Attest:

Amy B. Able, City Clerk