

CITY OF NEWPORT, KY
SPECIAL MEETING OF THE BOARD OF COMMISSIONERS
Monday, September 8, 2014
MINUTES

CALL TO ORDER / ROLL CALL FOR SPECIAL MEETING

The special meeting was called to order by Mayor Peluso at 7:00 p.m. in the Multi-Purpose Room of the Newport Municipal Building at 998 Monmouth Street. (A previously scheduled caucus meeting immediately followed conclusion of the special meeting.)

In attendance were: Commissioner Beth Fennell Commissioner Thomas Guidugli, Commissioner John Hayden, Commissioner Frank Peluso, and Mayor Jerry Peluso.

Also in attendance were: City Manager Tom Fromme, Assistant City Attorney Robert List, Police Chief Thomas Collins, Fire Chief Gary Auffart, CFO C. R. Wirthlin, Finance Officer Lenny Kuntz, Community Liaison Bev Holiday, and City Clerk Amy Able. There were eleven members of the public in attendance.

PUBLIC HEARING As required by statute, the following notice was published twice in the Campbell County Recorder (on August 21 and 28, 2014) and a notice was posted at the entrance of the city building. The city clerk read the notice.

NOTICE OF PUBLIC HEARING: Pursuant to KRS 132.027, as amended by the Kentucky General Assembly Extraordinary Session of 1979, the City of Newport, KY will hold a Public Hearing on Monday, September 8 at 7:00 p.m., local time, in the Multi-Purpose Room of the Newport City Building, 998 Monmouth Street, to hear comments from the public regarding a proposed real estate tax rate of \$2.74 per \$1,000 valuation and proposed personal property tax rate of \$2.55 per \$1,000. As required by law, this includes the following information:

	Tax Rate Per \$1000 Assessed Valuation	Revenue
Preceding Year Tax Rate and Real Property Revenue	\$2.64	\$1,729,487
Tax Rate Proposed for 2014 and Expected Real Property Revenue	\$2.74	\$1,798,929
Compensating Tax Rate and Expected Real Property Revenue	\$2.65	\$1,733,514
Revenue Expected from New Real Property	\$2.75	\$0
Tax Rate Proposed for 2014 and Expected Personal Property Revenue	\$2.55	\$212,174

All revenues in excess of the amounts generated in 2014 will be allocated to all City operating departments and divisions, including: Police, Fire/EMS, Public Works, Recreation, Code Enforcement, and General Administration. The Kentucky General Assembly has required publication of this advertisement and the information contained herein.

Presentation by staff

City Manager Fromme addressed the Board.

- Recommendation is for the allowable rate of \$2.74 per \$1,000 of assessed value.
- Assessment has been relatively static, the 2014 total assessment is down about \$1 m.
- While we have been doing well, projections show revenue deficits are likely by 2017.
- Payroll revenue is not growing quickly enough.
- The recommended rate would result in an increase of \$10 for a home valued at \$100,000.
- The City is full service, providing all the quality of life services. There is not a separate fire district, unlike in other local municipalities, our Fire Department is funded from the City's General Fund. Considering the additional taxes that other cities have, Newport has the 14th lowest tax rate out of 16 municipalities.
- The proposed rates will bring in an approximate \$100,000 in additional revenue. Without adopting the allowable rate, this amount cannot be recaptured and puts us further behind each year going forward.

Commissioner Peluso asked about savings efforts and the City doing more with less staff. Mr. Fromme responded that several years ago there was a \$3 m operating deficit that was covered by reserves (which depleted the reserve) and austerity procedures were begun. The City has only 110 full time staff, 80% of which is in public safety. Numerous positions were cut or reduced to part time. He added the City has also been diligent about reducing long term debt from \$32m to \$21m. Short term debt was also reduced from \$2m to \$900,000.

Commissioner Fennell agreed the City is doing more with less people and successful work to obtain grants has also been a great help.

Mr. Fromme noted that adopting the allowable tax rate is considered by Moody's in determining the credit rating; not adopting the allowable rate can have a negative impact as does the TAN. They use these indicators to judge if the City is working toward a structured budget and building reserves. The rating is very important if a City needs to borrow for any reason.

Opening of the Public Hearing The mayor opened the public hearing.

Beth Yutze, owner of Indoor Outdoor Aquatics, stated she does not live in the City but pays taxes as a business owner and has always found the City to be very responsive. She stated she supports a modest increase to maintain current levels because it takes giving a little for all to move ahead.

There being no one else present responding to the invitation to address the Board, the mayor announced the close of the public hearing.

NEW BUSINESS

The city clerk gave first reading by title and summary of tentative number **O-2014-018** an ordinance **levying and assessing an ad valorem tax** for city purposes for the fiscal year 2014-2015 on all property located within the City. Commissioner Peluso made a motion to approve; second to the motion was offered by Commissioner Fennell. Upon hearing there were no questions or comments, the mayor called for a roll call vote.

Commissioner Peluso: Yes	Commissioner Guidugli: No	Mayor Peluso: Yes
Commissioner Fennell: Yes	Commissioner Hayden: No	<u>Motion carried 3-2.</u>

ADJOURNMENT

There being no further business on the agenda, Commissioner Peluso made a motion to adjourn; second was offered by Commissioner Fennell. The mayor called for a vote.

Commissioner Peluso: Yes	Commissioner Hayden: Yes	Mayor Peluso: Yes
Commissioner Fennell: Yes	Commissioner Guidugli: Yes	<u>Motion carried 4-0.</u>

The special meeting adjourned at 7:26 p.m.

Date Approved/Signed

Jerry R. Peluso, Mayor

Attest:

Amy B. Able, City Clerk

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CITY OF NEWPORT, KY
CAUCUS MEETING OF THE BOARD OF COMMISSIONERS
Monday, September 8, 2014
MINUTES

CALL TO ORDER / ROLL CALL FOR CAUCUS MEETING

The caucus meeting was called to order by Mayor Peluso at 7:27 p.m. in the Multi-Purpose Room of the Newport Municipal Building at 998 Monmouth Street. (This immediately followed a special meeting held at the regular meeting time of 7:00 p.m.)

In attendance were: Commissioner Beth Fennell, Commissioner Thomas Guidugli, Commissioner John Hayden, Commissioner Frank Peluso, and Mayor Jerry Peluso.

Also in attendance were: City Manager Tom Fromme, City Attorney Daniel Braun, Police Chief Thomas Collins, Fire Chief Gary Auffart, Community Liaison Bev Holiday, and City Clerk Amy Able.

FUTURE AGENDA ITEMS / PROPOSED LEGISLATION / CITY BUSINESS

The Board discussed the following items in an open forum.

City Manager Updates / Discussion Items

- Parking Meters
- City Stickers

PUBLIC FORUM AND COMMENTS

Anyone wishing to discuss any City service issue not on the agenda was invited to do so.

ADJOURNMENT

Commissioner Guidugli made a motion to adjourn; second to the motion was offered by Commissioner Peluso. The mayor called for a roll call vote.

Commissioner Guidugli: Yes

Commissioner Hayden: Yes

Mayor Peluso: Yes

Commissioner Peluso: Yes

Commissioner Fennell: Yes

Motion carried 4-0.

The caucus meeting adjourned at 8:22 p.m.

Date Approved/Signed

Jerry R. Peluso, Mayor

Attest:

Amy B. Able, City Clerk