

CITY OF NEWPORT, KY
MEETING OF THE BOARD OF COMMISSIONERS
Monday, November 17, 2014
MINUTES

CALL TO ORDER / ROLL CALL

The 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. The meeting was opened with a moment for silent invocation and the mayor led the Pledge of Allegiance.

In attendance were: Commissioner Beth Fennell, Commissioner John Hayden, Commissioner Frank Peluso, and Mayor Jerry Peluso. **Absent:** Commissioner Thomas Guidugli, Jr., Also in attendance were: City Manager Thomas Fromme, City Attorney Daniel Braun, Fire Chief Gary Auffart, Lt. Col. David Garnick, HR Director Terry Fornash, Development Services Director Greg Tulley, Community Liaison Bev Holiday, and City Clerk Amy Able.

PERSONNEL ORDERS

The city clerk read tentative number **R-2014-054**, an order **reappointing Commissioner Elisabeth Fennell as representative** and J. Gregory Tulley as alternate from the City of Newport to the **Ohio-Kentucky-Indiana Regional Council of Governments**. Commissioner Peluso made a motion to approve; second to the motion was offered by Commissioner Hayden. Upon hearing there were no comments or questions, the mayor called for a roll call vote.

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

Commissioner Fennell expressed appreciation for the continued opportunity to serve.

PUBLIC FORUM

Mr. Bob Weiler of Monroe Street announced the dates of the 21st Annual Christmas Tour of historic homes will be December 6 and 7. Advance tickets are available for both the tour and the tea.

APPROVAL OF MINUTES

Commissioner Fennell made a **motion to approve the minutes of the October 20, 2014 regular meeting**; second to the motion was offered by Commissioner Hayden. Upon hearing there were no comments or questions, the mayor called for a roll call vote.

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

OLD BUSINESS

The city clerk gave second reading by title and summary of tentative number **O-2014-019** an ordinance creating Section 30.007A of the Code of Ordinances **concerning the election of City Officers**. Commissioner Peluso made a **motion to approve**; second to the motion was offered by Commissioner Fennell. Upon hearing there were no comments or questions, the mayor called for a roll call vote.

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

The city clerk gave second reading by title and summary of tentative number **O-2014-020** an ordinance amending Sections 30.002, 30.007, 31.41(b), and 111.02 of the Code of Ordinances **referencing the classification of the city**. Commissioner Peluso made a **motion to approve**; second to the motion was offered by Commissioner Hayden. Upon hearing there were no comments or questions, the mayor called for a roll call vote.

Commissioner Peluso: Yes Commissioner Fennell: Yes

Commissioner Hayden: Yes Mayor Peluso: Yes Motion carried 4-0.

NEW BUSINESS

The city clerk read tentative number **R-2014-055** an order **authorizing the issuance of up to \$42,145,000 maximum aggregate principal amount taxable Industrial Building Revenue Bonds, Series 2014, in order to assist Levee Partners, LLC, or assigns, to finance the acquisition, construction and equipping of an industrial building facility** located within the City of Newport, Kentucky and to improve said facility; authorizing the issuance of additional bonds; providing for the pledge of revenues for the payment of said bonds; authorizing a lease agreement between the City of Newport, Kentucky and Levee Partners, LLC, or assigns, with respect to the facility; authorizing a trust indenture appropriate for the protection and disposition of such revenues and further to secure the payment of said bonds; authorizing a bond purchase agreement; and authorizing a home office payment agreement. Commissioner Peluso made a **motion to approve**; second to the motion was offered by Commissioner Fennell. City Manager Fromme explained this order, along with the next two on the agenda, relate the \$70m in IRBs proposed and approved several months ago (Clerk's Note: see R-2014-045 passed June 16, 2014.) Settlements have since been negotiated with Campbell County Fiscal Court and the Newport Independent School Board and a bond hearing was held in Frankfort approving the issuance. Mr. Richard Spoor (Bond Counsel of Keating, Muething and Klekamp, LLC) confirmed this. A groundbreaking has been tentatively scheduled for the 20th for this development at the lot at Second and Washington Streets which will include residential and hotel components as well as some retail space. The City Manager recognized Mr. Bastos and Mr. Fusaro of Capital Investment Group who were also in attendance. Upon hearing there were no further comments or questions, the mayor called for a roll call vote.

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

The city clerk read tentative number **R-2014-056** an order **authorizing the issuance of up to \$13,500,000 maximum aggregate principal amount taxable Industrial Building Revenue Bonds, Series 2014, in order to assist Levee Hotel Associates, LLC, or assigns, to finance the acquisition, construction and equipping of an industrial building facility** located within the City of Newport, Kentucky and to improve said facility; authorizing the issuance of additional bonds; providing for the pledge of revenues for the payment of said bonds; authorizing a lease agreement between the City of Newport, Kentucky and Levee Hotel Associates, LLC, or assigns, with respect to the facility; authorizing a trust indenture appropriate for the protection and disposition of such revenues and further to secure the payment of said bonds; authorizing a bond purchase agreement; and authorizing a home office payment agreement. Commissioner Peluso made a **motion to approve**; second to the motion was offered by Commissioner Fennell. Upon hearing there were no comments or questions, the mayor called for a roll call vote.

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

The city clerk read tentative number **R-2014-057** an order **authorizing the issuance of up to \$8,200,000 maximum aggregate principal amount taxable Industrial Building Revenue Bonds, Series 2014, in order to assist NOTL Development Company, LLC, or assigns, to finance the acquisition, construction and equipping of an industrial building facility** located within the City of Newport, Kentucky and to improve said facility; authorizing the issuance of additional bonds; providing for the pledge of revenues for the payment of said bonds; authorizing a lease agreement between the city of Newport, Kentucky and NOTL Development Company, LLC, or assigns, with respect to the facility; authorizing a trust indenture appropriate for the

protection and disposition of such revenues and further to secure the payment of said bonds; authorizing a bond purchase agreement; and authorizing a home office payment agreement. Commissioner Peluso made a **motion to approve**; second to the motion was offered by Commissioner Hayden. Upon hearing there were no comments or questions, the mayor called for a roll call vote.

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

The city clerk read tentative number **R-2014-058** an order authorizing and directing the City Manager to execute a **contract with Atkins and Stang concerning underground utility service connections** to private properties along State Route 9. Commissioner Peluso made a motion to approve; second to the motion was offered by Commissioner Fennell. City Manager Fromme explained this relates to the first phase of the State project on Route 9. Construction has already begun and this is an opportunity to eliminate utility poles along the new corridor. Atkins and Stang was the lowest qualified bidder. Discussion followed. It was noted there have been discussions in the past about a possible bond issue to move utilities underground in another area – the connector road between the bridges. Since Duke is currently working in this area for work on the first phase of Rt. 9, we can take advantage of the timing with this being the City's only cost for underground connections in this area for nine addresses. The City will have an opportunity later to choose to pay the cost difference to upgrade lighting beyond the standard fixtures the State will provide. Upon hearing there were no further comments or questions, the mayor called for a roll call vote.

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

The city clerk read tentative number **R-2014-059** an order authorizing the City Manager to enter into an **agreement with Custom Design Benefits to act as the City's third party administrator with various insurance companies** to provide for the city of Newport's employees' health and dental insurance needs. Commissioner Fennell made a **motion to approve**; second to the motion was offered by Commissioner Hayden. Ms. Lisa Stamm of Sherrill Morgan and Associates addressed the Board. They recommend staying with the current third party administrator and keeping the same two plan designs (HRA and HAS) with no major plan changes. There will be an increase in office co-pay from \$15 to \$20 and from \$100 to \$200 co-pay for emergency room visits (resulting in savings of about 1%). With those changes there will be no increase to employee premiums. For stop loss coverage a carrier change is recommended to Optum with a deductible increase from \$40,000 to \$50,000 which will save \$21,000 in premiums. Optum also has an experience rewards program; if this is a low claims year up to \$36,000 in premiums can be recovered. With all recommended changes the overall increase in fixed costs will be a tenth of a percent. A pharmacy vendor change to Kroger Prescription Plans is expected to save \$14,000. The final change suggested is an increase in dental claims coverage from 50% to 80%. Overall plan costs have been very stable for the past 4-5 years with a slight decrease this year. Efforts of Ms. Fornash and the employees on the Health Insurance Committee were recognized. Ms. Stamm added the committee has been active, engaged, and instrumental in keeping costs down. Upon hearing there were no further comments or questions, the mayor called for a roll call vote.

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

The city clerk gave first reading of tentative number **O-2014-021** an ordinance **amending section 9.32 of the official Zoning Code of the City of Newport, Kentucky concerning Transition**

Zone Regulations (TZD). Commissioner Fennell made a **motion to approve**; second to the motion was offered by Commissioner Hayden. City Manager Fromme recalled the ordinance approved earlier this year (Clerk’s Note: see O-2014-003, adopted March 24, 2014) which added “eco-green manufacturing” as a permitted use in the TZD. There has been some confusion that the proposed ordinance, approved unanimously by the Planning and Zoning Commission, should clear up. Mr. Marty Butler of Strauss and Troy, representing Mr. Jeff Long addressed the Board. Mr. Butler stated prospective buyers of property in the area expressed concern that the recent change only addresses new developments or expansions, not existing uses or buildings. The proposed amendments clarify that the review process would not be required for existing uses. Also proposed is inclusion of some examples of specific light industrial uses. Mr. Tulley responded to a question about concerns from Planning and Zoning about environmental issues. He stated light manufacturing refers to mainly handling consumables while heavy industry might require protective equipment due to fumes. He stated the concern was that the direction of these changes (uses being listed) be for allowance of the light uses (especially due to close proximity to residences). He continued stating the confusion may have been for some existing smaller users already there while the focus in developing the TZD was primarily for larger scale development being done in a planned way – a master plan type approach - in light of road coming through. Finally, Mr. Tulley stated what is being requested in the proposed ordinance is supported by the Comprehensive Plan (providing for light industrial in those areas). The principal function of this will be, with the substantial road coming through, the City will have control and can act appropriately and plan ahead to have a cohesive development allowing good utilization of the zone without making a burden for existing businesses but providing a framework should they be interested in making a change in the future. Upon hearing there were no further comments or questions, the mayor called for a roll call vote.

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

COMMENTS FROM CITY DEPARTMENT HEADS

Lt. Col. Garnick stated

Chief Auffart stated 100 smoke detectors have been installed in homes on the West Side through joint cooperation with the Red Cross and a number of volunteers.

COMMENTS FROM CITY MANAGER

Mr. Fromme reminded the Board of the upcoming groundbreaking on November 20 for the Lot B development.

COMMENTS FROM THE BOARD OF COMMISSIONERS

Commissioner Fennell

- The salt dome looks good. Public Works did a good job and they do a great job taking care of our streets. Residents should remember they clean emergency routes first and then hills before addressing the rest of the City.
- Thanks to the voters for their support in returning her to office. It is a treat to visit so many residents and all the unique areas of the city while campaigning. She added the other members are great to work with.

Commissioner Peluso

**Board of Commissioners of Newport, KY
November 17, 2014 Meeting Minutes**

- Thanks to the voters for the opportunity to be of service. Congratulations to the other reelected members.
- Hopes in the new year to discuss and get finality on recycling issues. Would like to see owner occupied residences with recycling get credit at the end of the year.

Commissioner Hayden

- Echoed the appreciation of being returned to the Board, it is humbling.
- Public Works did a great job clearing the area and building the new salt storage and securing salt.
- Thanks to Mr. Bastos and Mr. Fusaro for their commitment to the City, we are lucky to have them believing in the City. This is a fantastic development on the way.

Mayor Peluso

- A multi-department effort was conducted along I-471 in response to the heroin crisis; a resident expressed to the mayor his appreciation for all NPD does. Lt. Col. Garnick stated the effort mentioned resulted in 14 charges throughout the county ranging from drug paraphernalia to gun possession. The public support is appreciated.
- Leaf pick up will continue as weather allows.
- Thanks to Ms. Fornash for her work, diligence, and thorough knowledge of HR.
- Thanks to Pastor Rich Livingood for his participation in the Veterans Day services.
- Thanks to Mr. Long for his patience, interest and involvement with the proposed text amendment.
- Thanks to Capital Investment Group for their continued investment in the City.
- Welcome back to Mr. Scott Wartman, again covering the City for the Enquirer. Thanks to Mr. Monks of River City News for his coverage as well.

ADJOURNMENT

There being no further business, Commissioner Fennell made a **motion to adjourn**; second to the motion was offered by Commissioner Guidugli. The mayor called for a roll call vote.

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

The meeting adjourned at 7:50 p.m.

Date Approved/Signed

Jerry R. Peluso, Mayor

Attest:

Amy B. Able, City Clerk