

CITY OF NEWPORT, KY
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
Monday, February 23, 2015
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 Thomas Guidugli, Commissioner John Hayden, Commissioner Frank Peluso, and Mayor Jerry Peluso. **Absent:** Commissioner Beth Fennell. Also in attendance were: City Manager Tom Fromme. City Attorney Daniel Braun, Police Chief Thomas Collins, Fire Chief Gary Auffart, Community Services Director Doug Roell, Historic Preservation Officer Scott Clark, CFO C.R. Wirthlin, Head Accountant Lenny Kuntz, Community Liaison Bev Holiday, and City Clerk Amy Able.

PERSONNEL ORDERS

The city clerk read Order **R-2015-009**, an order authorizing City Manager Thomas J. Fromme to enter into and execute a **contract with City Solicitor Daniel R. Braun** in the office of the city manager to provide legal services for the City. Commissioner Peluso made a **motion to approve**; second to the motion was offered by Commissioner Guidugli. Upon hearing there were no comments or questions, the mayor called for a roll call vote.

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

The city clerk read Order **R-2015-010**, an order authorizing City Manager Thomas J. Fromme to enter into and execute a **contract with Assistant City Solicitor Robert E. List** in the office of the city manager to provide legal services for the City. Commissioner Hayden made a **motion to approve**; second to the motion was offered by Commissioner Guidugli. Upon hearing there were no comments or questions, the mayor called for a roll call vote.

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

PRESENTATIONS, AWARDS & PROCLAMATIONS

Ms. Heather Cochran, accompanied by Mr. Jerry Hensley, addressed with Board on behalf of Ray, Foley, Hensley and Company, PLLC with an **Audit Presentation** (see attached) for the fiscal year ending June 30, 2014.

- Comprehensive Annual Financial Report (CAFR) has been provided to the Board.
- Total assets of 2014 were \$70,576,806 compared to the prior year total of \$72,022,614.
- Liabilities are at \$52,532,809 compared to the prior year at \$55,829,916.
- Net position \$18,043,997. This has been increasing over the last five years.
- Unrestricted net position at \$2.5m increased by about \$1.5m.
- In the Statement of Activities the business type number is inflated somewhat artificially due to unusual activities where excess funds were paid back per the bond documents. And the government type looks artificially high due to pass through grant items.
- Under General Revenues, taxes are listed at \$4,041,552, an increase from \$2,258,918

due to the PILOT payments received into the General Fund from Newport on the Levee.

- Payroll is up by \$469,952.
- Governmental Fund Balance in 2010 was -\$697,807 but is now at \$2,334,031 (the PILOT contributed \$1.7m, without the PILOT it would still be an impressive increase at \$584,031.)
- Audit Opinion is a clean opinion.

Mr. Hensley said three things made a significant difference; the economy is turning (therefore gross receipts for payroll and business receipts and insurance premiums increase), the City is feeling rewards for investment in the project in order to get the PILOT back, and having the project be able to make a return for the developers also contributes to the whole package.

PUBLIC FORUM No one in attendance responded to the mayor's invitation to address the Board.

APPROVAL OF MINUTES

Commissioner Peluso made a **motion to approve the minutes of the January 26, 2015 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 Peluso: Yes Commissioner Guidugli: Yes
Commissioner Hayden: Yes Mayor Peluso: Yes Motion carried 4-0.

Commissioner Guidugli made a **motion to approve the minutes of the February 9, 2015 caucus 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 Guidugli: Yes Commissioner Peluso: Yes
Commissioner Hayden: Yes Mayor Peluso: Yes Motion carried 4-0.

OLD BUSINESS

The city clerk gave second reading of **O-2015-001**, an ordinance **designating 17 East Sixth Street as an historic landmark**. Commissioner Peluso made a motion to approve; second to the motion was offered by Commissioner Guidugli. Upon hearing there were no comments or questions, the mayor called for a roll call vote.

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

NEW BUSINESS

The city clerk gave first reading to tentative number **O-2015-002** an ordinance closing and vacating part of Pines Alley. Commissioner Peluso made a **motion to approve**; second to the motion was offered by Commissioner Guidugli. Mr. Fromme noted Pines Alley is located between Saratoga and Washington (and between Eleventh Street and Forrest Street). This is a housekeeping measure following changes from 2008 to close the portion of Pines Alley between Saratoga and Miller Alley. Upon hearing there were no further comments or questions, the mayor called for a roll call vote.

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

The city clerk read **R-2015-011** an order of authorizing City Manager Thomas Fromme to execute an **agreement with Duke Energy for the proposed streetlight change out (from cobra head style to LED)**. Commissioner Peluso made a **motion to approve**; second to the motion was offered by Commissioner Guidugli. Mr. Fromme stated according to Mr. Kesse's

presentation on February 9, estimated savings during the life of the lights will be over \$1.4 million. He added initial costs are expected to be \$750 more per month to cover the investment. Some lights may be eliminated due to improved lighting. Commissioner Peluso suggested that the City and Duke give presentations at the neighborhood group meetings to explain the change out program. Commissioner Guidugli stated he has visited locations with the new style of lights and this is a viable plan. Upon hearing there were no further comments or questions, the mayor called for a roll call vote.

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

The city clerk read Tentative Order **R-2015-012** an order **approving an amendment to the interlocal agreement** entered into with the Campbell County Fiscal Court and the City of Fort Thomas **regarding 911 communications service, changing the funding mechanism** to a county-imposed annual unit fee and authorizing the mayor to execute the amended interlocal agreement. Commissioner Guidugli made a **motion to approve**; second to the motion was offered by Commissioner Peluso. This follows the move to rescind land line fees for 911 funding and updates the existing interlocal agreement. Commissioner Peluso asked about the status of the lawsuit by the real estate group and Mr. Braun said it is still pending and the funds are being held in escrow. Chief Collins, who serves on the Campbell County Consolidated Dispatching Board, added that some updating to the dispatch center is needed but those items are on hold and they have taken measures to control costs until there is final resolution in the courts. Upon hearing there were no comments or questions, the mayor called for a roll call vote.

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

CITY OF NEWPORT PUBLIC PROPERTIES CORPORATION MEETING

At 7:30 p.m. Commissioner Peluso made a motion for **recess from the regular session**, Commissioner Guidugli offered a second to the motion. The mayor called for a roll call vote.

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

See attached minutes of the Newport Public Properties Corporation.

Roll was called for the Board of Directors of the Newport Public Properties Corporation with the following members present: Commissioners Hayden, Peluso, Guidugli, and Mayor Peluso.

*The city clerk read **Resolution 2015-002**, a resolution approving the sale of a 0.335 acre strip of land at 123 West Fourth Street to KYTC for \$440,000 and granting a temporary construction easement to KYTC for encroachment upon 8,514 square feet for \$50,000, and authorizing President Thomas J. Fromme to execute a deed and necessary documentation. Upon motion of Frank Peluso, second to the motion by John Hayden, a roll call vote was taken and the resolution was adopted by vote of 4:0.*

*The city clerk read **Resolution 2015-003**, a resolution approving the sale of 1,959 square feet of land at the northwest corner of the intersection of East Third Street and U.S. 27 to KYTC for \$40,000 and granting a temporary construction easement to KYTC for encroachment upon 3,829 square feet for \$20,000, and authorizing President Thomas J. Fromme to execute a deed and necessary documentation. Upon motion of Frank Peluso, second to the motion by Thomas Guidugli, Jr., a roll call vote was taken and the resolution was adopted by vote of 4:0.*

There being no further business for the Newport Public Properties Corporation to address,

Commissioner Peluso made a motion to adjourn the meeting of the Public Properties Corporation and return to the regular session of the Board of Commissioners; second to the motion was offered by Commissioner Guidugli. Motion carried by vote of 4-0.

The regular meeting reconvened at 7:40 p.m. upon motion of Commissioner Hayden to reconvene the regular session, second to the motion was offered by Commissioner Guidugli.

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

COMMENTS FROM CITY DEPARTMENT HEADS

Chief Collins

- Noted all the department heads make a considerable effort to watch for liabilities and plan for retirements, etc. Being aware of the obligations and working to control these costs has a great impact. No comments.
- Thanked the Board and everyone who extended their support at the benefit for Sgt. Hood.
- Ten cars will be declared surplus this spring and put up for auction.
- The Department is working to obtain \$30,000 in unclaimed funds.
- An additional \$30,000 is expected from evidentiary collection.

CFO Wirthlin

- The audit was favorable; we look forward to another great audit next year.
- New software is on the way for the Finance Department.

Historic Preservation Officer Scott Clark

- Thanked the Board for passing landmark status for 17 East Sixth Street. He thanked the Board and the City Manager for the support of identifying and recognizing historic properties within our city.

COMMENTS FROM THE CITY MANAGER'S OFFICE

City Manager Fromme

- Congratulated CFO Wirthlin and her staff on a great audit. The auditors did a good and very thorough job.
- The new accounting software will be a big step forward since the current system was from 1988.
- Note in the supplemental reports included in the audit that looking back four of the top ten payroll tax providers are no longer here yet the City continues to see growth.
- Red Bike planning is moving forward. There will be three spaces in Newport. Tentative sites are at the Purple People and Taylor Southgate Bridges and one in the area of Fourth and Monmouth near the Peace Bell. Mr. David Bastos and Capital Investment Group have come forward with a pledge of support and the City will contribute as well.

COMMENTS FROM THE BOARD OF COMMISSIONERS

Commissioner Guidugli

- Thanks to the Public Works Department how have done an amazing job in extreme cold working to clear our streets.
- The benefit for Sgt. Hood was a great event and several participants even agreed to have their heads shaved to help raise funds.

Commissioner Peluso

- On behalf of his family thanked everyone for their support and sympathy in response to the death of his father, Johnny Peluso. He will be missed the most by his family but never forgotten by the people of Newport.
- Public Works did a phenomenal job during the recent snow events.

Commissioner Hayden

- Echoed appreciation for the Public Works Department. Residents and non-residents have commented on the fantastic job they did.
- The City has suffered a great loss as the late Johnny Peluso probably impacted the City more than any other individual in recent history and he will be missed.
- The audit is very encouraging. Along with the continuing development this is a testament to the hard-working city staff.

Mayor Peluso

- We are fortunate to have a dedicated workforce and we cannot thank our employees enough.
- After many years of organizing the Italianfest Golf Outing, Nick Petroze is stepping down. He has been a tremendous volunteer and we thank him for his service. Thanks to CFO Wirthlin who has volunteered to take this on.
- Newport Business Association (NBA) annual meeting and awards will be on February 25.

ADJOURNMENT

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

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

The meeting adjourned at 8:20 p.m.

ADJOURNMENT

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

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

The meeting adjourned at 7:50 p.m.

Date Approved/Signed

Jerry R. Peluso, Mayor

Attest:

Amy B. Able, City Clerk