

CITY OF NEWPORT, KY
MEETING OF THE BOARD OF COMMISSIONERS
Monday, June 16, 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, Chief Tom Collins, Fire Chief Gary Auffart, CFO C.R. Wirthlin, Code Enforcement Director Brian Steffen, Community Liaison Bev Holiday, and City Clerk Amy Able.

PUBLIC FORUM

Recreation Commission member Bob Barnett announced the fourth annual Senior Residents' Picnic will be June 21 at the Marguerite Robinson Center. Newport residents age 55 and up are invited to come for lunch and activities.

APPROVAL OF MINUTES

Commissioner Peluso made a **motion to approve the minutes of the May 19, 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 Peluso: Yes Commissioner Fennell: Yes
Commissioner Hayden: Yes Mayor Peluso: Yes

Motion carried 4-0.

NEW BUSINESS

The city clerk read **R-2014-043**, an order authorizing the city manager to enter into agreements with Kentucky League of Cities (KLCIS) for property and liability insurance, with Kentucky Employers Mutual (KEMI) for workers compensation insurance, with Hartford for crime coverage, and with Ohio Casualty for public officials bonds. Commissioner Peluso made a **motion to approve;** second to the motion was offered by Commissioner Fennell. Mr. Chuck Honkomp of Crawford Insurance addressed the Board. The overall cost is down slightly with additional coverage being added. Coverage by KLC reflects a rate reduction based on claims. There is a slight increase in worker's compensation cost due to a high number of claims. (Our premium amount was about \$148,000 and the amount of paid claims was \$125,000. A quote from Brick Street Mutual was \$301,000 compared to the renewal at \$148,000.) Crime coverage will be from Hartford to have broader coverage (\$500,000 excess over the \$1m bond limit for internal or external theft) at a cost increase of only \$100. 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 **R-2014-044**, an order authorizing the city manager to execute a contract and requisite attachments with the Commonwealth of Kentucky concerning the distribution of various funds appropriated for waterfront development between the cities of Newport, Bellevue, Dayton, Covington, and Fort Thomas regarding the Riverfront Commons Project pursuant to the terms and conditions set forth therein. Commissioner Peluso made a motion to approve; second to the

motion was offered by Commissioner Fennell. Mr. Fromme explained the City will accept disbursement of grant funds for the project managed by Southbank, there are no administrative costs anticipated. 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 **R-2014-045**, an order an order of the City of Newport, Kentucky, **approving an inducement contract between the City and Levee Partners, LLC** and its successors, assigns and/or transferees in which the City agrees to assist in financing the acquisition and construction of an industrial building project on a tract of land located within the City, through the **issuance by the City of its industrial building revenue bonds in the aggregate amount not to exceed \$70,000,000 for the acquisition and construction of a mixed-use facility for downtown redevelopment** and employment in said city comprised of a hotel, a residential apartment building with first-floor retail and two structured parking facilities (the "project"); and authorizing the beginning of acquisition and construction of the project prior to the issuance of the bonds, with Levee Partners, LLC and its successors, assigns and/or transferees paying for same and to be reimbursed out of the proceeds of the bonds for all costs advanced by it toward the cost of the project. Commissioner Peluso made a motion to approve; second to the motion was offered by Commissioner Fennell. Mr. Fromme announced the School Board has signed off on this and the County is expected to do so this week as required for IRBs before they can be taken to the State. Mr. David Bastos of Capital Investment Group and Mr. Richard Spoor, bond counsel for the investment group, addressed the Board. Mr. Bastos stated the plans are for a mixed-use development of 230 luxury apartments in five levels above the floodwall atop an 870 car parking facility, and a 150 room, seven-story hotel. This is a \$70m investment, almost double the amount Capital Investment Group has already invested in Newport. Parking will not be visible from the Ohio side; viewing the structure from Dave Cowan's Drive, 2 ½ levels of parking and five stories of residential will be visible; looking from Third Street the parking structure is not visible, it will be an urban look with the seven story hotel visible. The apartment will be an "E" shaped building maximizing river and city views. Mr. Spoor added this is a standard IRB, there is no liability for the City to pay for the bonds or costs of the project but only to be a conduit bond issuer and owner of the property during the bond term. With the approval of Newport Independent Schools and approval pending from the Board and the County, it is hoped this can be ready to go to Frankfort in early August. If approved by the State they will come back to the City to have the bond legislation passed. Upon hearing there were no further 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 gave first reading to tentative **O-2014-009**, an ordinance amending ordinance O-2013-008 to **amend the adopted budget for the City for the Fiscal Year July 1, 2013 to June 30, 2014**, including an estimate of all revenues and resources and making the annual appropriation in accordance therewith. Commissioner Fennell made a **motion to approve**; second to the motion was offered by Commissioner Hayden. Mr. Fromme reviewed several items and answered questions. He stated the projected ending fund balance was \$264,000 and the amended amount is over \$277,000. He added there were small adjustments to the fund transfers. Conservative revenue projections were successful. The year should end with a general fund balance of \$1,923,629. 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 to tentative **O-2014-010**, an ordinance adopting the budget for the City for the fiscal year July 1, 2014 to June 30, 2015, **including an estimate of revenues and resources and making the annual appropriation in accordance therewith.** Commissioner Peluso made a **motion to approve**; second to the motion was offered by Commissioner Fennell. Mr. Fromme reviewed the proposed budget and the projections. This proposed budget includes the addition of one new part time accountant. We want to continue to be conservative with expenses. The future of CERS pension contributions is unknown. He stated he is recommending paying off the existing Tax Anticipation Note so it can be reissued at a lower amount (from \$1.5 m to \$900,000). To addressing pressing infrastructure needs such as the floodwall, landfill, underground utility relocation in the Route 9 corridor, and new public works facilities, the recommendation is for issuance of a \$4m general obligation bond. Also under review is a loan for capital equipment to purchase much-needed operational equipment. The road program continues with \$250,000 budgeted for local roads and infrastructure. 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 gave first reading to tentative **O-2014-011**, an ordinance **amending Section 32.248 of the Code of Ordinances concerning the composition of the Recreation Commission** to come into compliance with recent changes to KRS 97.120. Commissioner Fennell made a **motion to approve**; second to the motion was offered by Commissioner Hayden. Mr. Braun explained that with the city reclassification legislation, the city now falls under a population based determination about the number of members to be appointed to the recreation commission. The city clerk added all current active members are welcome to continue being involved and will still be able to participate at meetings and at events; a lower number of official members does make it easier to achieve a quorum to hold meetings. 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.

COMMENTS FROM DEPARTMENTS

Chief Collins commented on worker's compensation. There is a national trend in (an increase in claims in) police work and there are reasons for this. On a daily basis law enforcement officers are exposed to the worse kinds of human tragedies – death, negative relationship/domestic calls, horrific accidents, unspeakable crimes. With the trend law enforcement has identified there is a reason for it, police are on the scene a lot quicker today with information more readily available that puts them actually in the middle of an event or crime due to rapid response. Health and wellness training means that reporting has increased. This year there have been two officers out with serious injuries and it is unfortunate but we must consider it is a dangerous job and we do all we can to curb those costs while keeping the personnel safe and trying to protect the public.

Chief Auffart commended and thanked the Police and Fire Department personnel for their response and excellent work during two unique incidents this week involving accidents with horse drawn carriages. He added the support the Buena Vista Park event which was well attended and he expressed thanks to all who attended.

COMMENTS FROM CITY MANAGER

City Manager Fromme stated there will be a special meeting the week of June 23 for a second reading of the budget ordinance and for the TAN order. He thanked the department heads and the budget committee for their diligence on preparing the budget.

COMMENTS FROM THE BOARD OF COMMISSIONERS

Commissioner Peluso

- Congratulations to the recipients of the Historic Preservation Awards which were presented on May 28 and thanks to these award winners for their commitment to the City:
Affordable Housing Rehabilitation: 215 W 10th Street, Neighborhood Foundations
Porch Restoration: 556 E 4th Street, Gene & Rosemary Kovacs
Historic Restoration: 408 Overton Street, Mansion Hill Properties
Tax Credit Rehabilitation: 655 Nelson Place, Mike & Pam Staun
- Thanks to all who worked on the East Row Garden Tour, there was great creativity on display.
- It was another great year for the Italianfest, thanks to Festival Chairman Tom Guidugli, Sr.
- The Taste of Newport was phenomenal, thanks to Bev Holiday and Lee Kinzer.
- Thanked to the Mayor for allowing him to serve on the Budget Committee.

Commissioner Hayden

- Reiterated Commissioner Peluso's acknowledgement of all who have worked on the fantastic events hosted recently.
- Stated he wanted to emphasize what an outstanding job city staff has done with the budget and with what we have done over the years while facing challenges such as the loss of major employers. We have been able to continue in the right direction and will begin the next fiscal year with a significant budgetary surplus which is a step in the right direction. The budget has been balanced the last several years without taking a tax increase. These are accomplishments to be proud of.

Commissioner Fennell

- Echoing comments about the budget, there have been curve balls. The city manager and the departments have done great work.
- The great events mentioned the past few weeks – the Taste of Newport, the Garden Walk, and Italianfest – all had great weather and are great opportunities to reconnect and appreciate what people are doing. Thanks to all of the committees coordinating these events.
- OKI has produced a pamphlet that is a summation of Kenton County's Transportation Plan. Some items will affect us like the proposed changes to the Fourth Street Bridge. She will share this information with the Board.

Mayor Peluso

- The Farmer's Market is open on Saturdays on Monmouth.
- Thursday, June 19 at 9:30 a ribbon will be cut at the Purple People Bridge to celebrate the new stairways, ramp, and access to walkways along the riverfront. This is the first leg of what will eventually be an 11 ½ mile walk from Fort Thomas to Ludlow.
- Cincinnati Magazine's "Best of" list included several Newport businesses in various categories: the Beer Sellar, Casual Chinese, Newberry Coffee, Newport Aquarium,

Pompilio's, Strong's Pizza, and Southgate House Revival.

ADJOURNMENT

There being no further business, Commissioner Peluso made a **motion to adjourn**; second to the motion was offered by Commissioner Fennell . 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 meeting adjourned at 8:15 p.m.

Date Approved/Signed

Jerry R. Peluso, Mayor

Attest:

Amy B. Able, City Clerk

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