

**CITY OF NEWPORT, KY**  
**SPECIAL MEETING OF THE BOARD OF COMMISSIONERS**  
**Wednesday, January 27, 2021**  
**MINUTES**

**CALL TO ORDER / ROLL CALL FOR SPECIAL MEETING**

The special meeting was called to order by Mayor Peluso at 5:00 p.m. in the Multi-Purpose Room of the Newport Municipal Building at 998 Monmouth Street.

**In attendance** were: Commissioner Beth Fennell, Commissioner Jerry Peluso, Commissioner Ken Rehtin, Vice Mayor Frank Peluso, and Mayor Thomas L Guidugli Jr. Also in attendance were: City Manager Thomas Fromme, Asst. City Manager Larisa Sims, City Attorney Dan Braun, Police Chief Chris Fangman, Fire Chief William Darin, and City Clerk Joy Rovno.

**PRESENTATIONS**

Audit Presentation of the Comprehensive Annual Financial Report, Year Ended June 30, 2020.

Heather Cochran with RFH, PLLC presented the 2020 audit. She gave a summary of the audit results. She stated the audit opinion is a clean audit opinion, she explained that is the best it gets in the audit world. She explained this is a government wide statement. She stated the liability for pension contributions increased which impacted the net position statement. A government wide statement includes assets and liability, CERS contributions, which, the city pays 100% of its contributions but because the plan is underfunded it is listed in the liability's. The net position decreased this year due to the increased contribution to CERS. Every year since they started reporting this contribution number has increased each year. She went on to explain the increase in revenues for 2020.

Commissioner Fennell asked if intergovernmental funds were monies coming to the city from other government agencies.

Ms. Cochran replied yes.

Commissioner Fennell asked if 2M was received for road projects.

Ms. Cochran replied yes.

Ms. Cochran went on to explain the audit report.

Commissioner Fennell stated the report is encouraging by keeping expenses down while encouraging revenue.

Ms. Cochran thanked city staff for always being helpful and easy to work with.

Thomas Fromme explained the CERS contribution. Without the liability to CERS the city would have a positive net asset

Ms. Cochran replied yes, it's a big liability but the city will need to plan for the increases.

Thomas Fromme stated to the casual observer it looks like the city is 13m in the hole. He stressed to the public that is not really a liability it's an accounting requirement through GASB rules. The city has to carry its theoretical share of the States Pension Program. The city is making their required payments to the pension and always have on a quarterly basis.

Commissioner Rehtin asked what portion of revenue accounts for the postponed payments or extensions to pay city taxes.

Ms. Cochran replied she didn't have the exact number but the receivables outstanding at year end June 30<sup>th</sup> were a lot higher than they have been in the past because the city allowed extra time for payments. One of the big ones was the net profit. Most of that would have already been collected before June 30<sup>th</sup>.

Commissioner Rehtin asked if those revenues were now coming in.

Thomas Fromme replied some of those revenues have come in and will check those numbers and get back with Commissioner Rehtin.

## **NEW BUSINESS**

The city clerk gave second reading by title and summary to **R-2021-002**  
AN ORDER OF THE BOARD OF COMMISSIONERS OF THE CITY OF NEWPORT, KENTUCKY AUTHORIZING AND DIRECTING MAYOR THOMAS L GUIDUGLI, JR. TO EXECUTE AND SUBMIT TO THE KENTUCKY DEPARTMENT FOR LOCAL GOVERNMENT AN APPLICATION FOR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR DEVELOPMENT AND REHABILITATION OF SINGLE FAMILY HOUSING IN THE CITY OF NEWPORT, KENTUCKY.

Thomas Fromme explained the program and map of where the houses will be. This is a 1M CDBG grant for affordable housing. He stated and the current land value is 100K the taxable value will be in excess on 1M, which will add significantly to the appraised value of the property. There are incentives for purchasing these homes such as 20k forgivable second mortgage if the home owner stays in the home for a specified period of time. There will be five new homes and two rehabs, the locations are spread out and also includes vacant lots.

Dennis Elrod listed the locations of the new construction and rehabs.

Thomas Guidugli Sr. explained the application process.

Vice Mayor Peluso made a **motion to approve**; second to the motion was offered by Commissioner Fennell. The mayor called for a roll call vote.

**Commissioner Peluso: Yes    Commissioner Rehtin: Yes    Mayor Guidugli: Yes**  
**Vice Mayor Peluso: Yes    Commissioner Fennell: Yes    Motion carried 5-0.**

The city clerk gave second reading by title and summary to **R-2021-003**  
AN ORDER OF THE BOARD OF COMMISSIONERS OF THE CITY OF NEWPORT, KENTUCKY APPROVING THE SELECTION OF AND AUTHORIZING AND DIRECTING CITY MANAGER THOMAS FROMME TO EXECUTE AN AGREEMENT WITH INTEGRATED, OPERATING AS PRIME AE, FOR DESIGN SERVICES AND TO ACT AS PROJECT MANAGER FOR THE FESTIVAL PARK AT RIVERFRONT COMMONS IMPROVEMENTS.

Larisa Sims gave an overview of the project. She presented a map identifying the park and how it may connect surrounding areas. She stated an RFQ went out in November, 4 submittals were received, Integrated Engineering was selected operating as Prime AE to act as the design engineer. This order is asking approvals for their scope of work.

Commissioner Fennell asked Mike Yeager from Integrated Engineers the time frame of the work.

Mike Yeager replied this is a six month process to design with public feedback, after final design another 6 months to construct. He stated this is all contingent on approvals from the Corp of Engineer approvals as well.

Commissioner Fennell stated she and Larisa Sims discussed involving people that are involved with the entire riverfront path. She asked what would need approval from the Corp of Engineers.

Mike Yeager replied the entire scope of the project would need Corp approval because it is inside the Levee.

Commissioner Rehtin asked the amount of the grant and what percentage will the city match.

Larisa Sims replied 2.5m with a 20% match, which comes to about a 300k match. She stated the OKI portion of the funding is specific to the improvements that are transportation related.

Ken Rehtin asked if the funding from OKI could be applied to the sea wall.

Larisa Sims replied no

Ken Rehtin asked who is on the committee and what is expected of them.

Larisa Sims replied invitations would go to residents, business owners, Comp Plan Committee, representatives from Focus Groups Newport on the Levee, BB Riverboats, Corpox, and Southbank, she stated the list is not yet finalized.

Commissioner Rehtin asked for assurance that all abutting property owners will be invited to participate.

Larisa Sims replied yes.

Commissioner Rehtin asked Mike Yeager when he plans to first meet with this group.

Mike Yeager replied he plans three in person meetings with the group. He stated' it's more challenging with COVID but he believes it can be accomplished in a safe manner. He stated it's important to meet with the Corps of Engineers to get some topographical surveying before meeting with the group and talk about larger feedback from the community in general.

Commissioner Rehtin asked involvement in operational income and expenses on this site.

Mike Yeager replied they haven't gotten into that yet.

Commissioner Rehtin asked Larisa Sims when this discussion may take place.

Larisa Sims replied they need to get their arms around what the design and programing will be for the site so they know what kind of fund raising and folks that might be interested based on their activities.

Vice Mayor Peluso asked if the previous work done on this site by Brandstetter Carroll will be used.

Larisa Sims replied yes the geotechnical work they did will be used.

Vice Mayor Peluso asked if those reports will be certified to make sure they are still accurate and safe.

Larisa Sims replied yes.

Mike Yeager stated there will be exploratory boring to make sure the soil has not changed that much and part of the Brandstetter Carroll design the sea wall was not designed so there will be more geotechnical design work needed by the river's edge to figure out the most economical wall.

Vice Mayor Peluso stated it's important to invite Newport Aquarium to be part of the committee and asked for written varification.

Larisa Sims stated she had reached out to the Aquarium.

Commissioner Fennell made a **motion to approve**; second to the motion was offered by Commissioner Peluso. Upon hearing there were no comments or questions, the mayor called for a roll call vote.

**Commissioner Fennell: Yes   Mayor Guidugli: Yes   Vice Mayor Peluso: Yes**  
**Commissioner Peluso: Yes   Commissioner Rehtin: Yes   Motion carried 5-0.**

The city clerk gave second reading by title and summary to **O-2021-001**

AN ORDINANCE OF THE BOARD OF COMMISSIONERS OF THE CITY OF NEWPORT, KENTUCKY AMENDING SECTION 10.4, TABLE 8 OF THE OFFICIAL ZONING ORDINANCE OF THE CITY OF NEWPORT, KENTUCKY CONCERNING PERMITTED USES IN INDUSTRIAL ZONES.

Dan Braun stated this is a house keeping measure. When the new chart was created there was a typographical error, an Event Center in the I-1 is a conditional use, not permitted in the chart a P for permitted use was inserted we are correcting it to a C for conditional use.

Commissioner Rehtin asked Mr. Braun if he was privy to the comments on line

Dan Braun replied no, in a special call meeting comments are not submitted, this ordinance will have a second reading at a regular Board meeting comments will be taken then.

Commissioner Rehtin replied he asked because an attorney had weighed in representing Fedders.

Dan Braun replied he was aware and would reach out to them.

Larisa Sims stated this item was on the Planning and Zoning agenda in February of 2020, the applicant was there, this change was made on behalf of the applicant, Mr. Fedder was at the meeting when the Board took action to make this a conditional use in the I-1. She stated the action letter from the P&Z Board was sent to the applicant, this was just a typographical error.

Dan Braun stated we are correcting a mistake in the documentation from the P&Z recommendations that this Board approved. This in no way prevents anyone from operating an event center in the I-1 zone it's just makes it conditional instead of permitted.

Commissioner Fennell made a **motion to approve**; second to the motion was offered by Commissioner Peluso. Upon hearing there were no further comments or questions, the mayor called for a roll call vote.

**Commissioner Fennell: Yes    Commissioner Peluso: Yes    Mayor Guidugli: Yes  
Commissioner Rehtin: Yes    Commissioner Vice Mayor Peluso: Yes Motion carried 5-0.**

The city clerk gave second reading by title and summary to **O-2021-002**

AN ORDINANCE OF THE CITY OF NEWPORT, KENTUCKY AUTHORIZING THE ISSUANCE OF CITY OF NEWPORT, KENTUCKY GENERAL OBLIGATION BONDS, SERIES 2021 IN THE APPROXIMATE AGGREGATE PRINCIPAL AMOUNT OF \$11,720,000 (SUBJECT TO A PERMITTED ADJUSTMENT INCREASING OR DECREASING THE PRINCIPAL AMOUNT OF SERIES 2021 BONDS BY UP TO \$1,175,000) FOR THE PURPOSE OF FINANCING A PORTION OF THE COSTS OF MULTIPLE PUBLIC PROJECTS; APPROVING THE FORM OF BONDS; AUTHORIZING DESIGNATED OFFICERS TO EXECUTE AND DELIVER THE BONDS; AUTHORIZING AND DIRECTING THE FILING OF NOTICE WITH THE STATE LOCAL DEBT OFFICER; PROVIDING FOR THE PAYMENT AND SECURITY OF THE BONDS; CREATING A BOND PAYMENT FUND; MAINTAINING THE HERETOFORE ESTABLISHED SINKING FUND; AND AUTHORIZING ACCEPTANCE OF THE BIDS OF THE BOND PURCHASER FOR THE PURCHASE OF THE BONDS.

Dan Braun stated due to potential changes to the bond structure I request tabling this item from this agenda to a future and table to the next regular meeting in February.

Vice Mayor Peluso made a **motion to table item until the February 22<sup>nd</sup> meeting**; second to the motion was offered by Commissioner Peluso. Upon hearing there were no further comments or questions, the mayor called for a roll call vote.

**Commissioner Fennell: Yes    Commissioner Peluso: Yes    Mayor Guidugli: Yes  
Commissioner Rehtin: Yes    Commissioner Vice Mayor Peluso: Yes    Motion carried 5-0.**

### **ADJOURNMENT OF SPECIAL MEETING**

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

**Mayor Guidugli: Yes    Commissioner Rehtin: Yes    Vice Mayor Peluso: Yes  
Commissioner Fennell: Yes    Commissioner Peluso: Yes    Motion carried 5-0.**

The special meeting adjourned at 5:07 p.m.

\_\_\_\_\_  
Date Approved/Signed

\_\_\_\_\_  
Thomas L Guidugli Jr., Mayor

Attest:

\_\_\_\_\_  
Joy Rovno, City Clerk