

CITY OF NEWPORT, KY
SPECIAL MEETING OF THE BOARD OF COMMISSIONERS
Monday, June 22, 2015
MINUTES

CALL TO ORDER / ROLL CALL

The 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 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, CFO CR Wirthlin, Senior Accountant Lenny Kuntz, Community Liaison Bev Holiday, and City Clerk Amy Able.

NEW BUSINESS

Commissioner Hayden made a **motion to adjourn the meeting to executive session** per the allowance in KRS 61.810 (1)(f), to discuss personnel matters. Commissioner Guidugli offered a second to the motion. The Mayor asked for a roll call vote.

Commissioner Hayden:	Yes	Commissioner Fennell:	Yes	Mayor Peluso:	Yes
Commissioner Guidugli:	Yes	Commissioner Peluso:	Yes	<u>Motion carried 5-0.</u>	

The Board entered Executive Session with the City Manager and City Attorney and returned to regular session at 6:25. At the Mayor's request, roll call was repeated with all members present.

The City Clerk gave first reading by title and summary to **O-2015-007**, an ordinance amending Ordinance O-2014-010 to **amend the adopted budget for the city for the Fiscal Year July 1, 2014 to June 30, 2015**, including an estimate of all 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 Hayden. Mr. Fromme stated the fiscal year coming to a close was a good year and there will be a small surplus. This even included the purchase of a property to be used as a Public Works facility that had not originally been planned for at \$1.1 m. There were some unexpected increases to health insurance costs. Revenues grew significantly. The budgeted estimate was \$15,621,000 in revenue and the projected amended amount is \$18,800,000. Some were one-time revenues such as \$542,000 when the Pavilion was sold. Upon hearing there were no comments or questions, the mayor called for a roll call vote.

Commissioner Peluso:	Yes	Commissioner Fennell:	Yes	Mayor Peluso:	Yes
Commissioner Hayden:	Yes	Commissioner Guidugli:	Yes	<u>Motion carried 5-0.</u>	

The City Clerk gave first reading by title and summary to **O-2015-008**, an ordinance **Adopting the budget for the City for the Fiscal Year July 1, 2015 To June 30, 2016**, including an estimate of 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 Guidugli. Mr. Fromme stated we anticipate ending FY 2015 with a fund balance of \$2,349,000 and ending FY 2016 with a fund balance of \$2,113,000. The proposed budget provides for a significant amount of capital improvements including: street and mast arm replacement at Third and Saratoga and at Tenth and Monmouth; rebuilding the intersection at

Third and Washington (a portion of which will be reimbursed); paving Churchill Drive (taking advantage of cost savings while Fort Thomas repaves their portion); construction of new sidewalks (for which an anticipated Safer Routes to School grant will assist with the \$230,000 cost); slippage repairs on Grandview; repairs to the existing Riverwalk; repairs to Mussman Stadium; barrel vaults (for which the Levee provides 50% of the cost); and additional plans for Riverfront Commons. The proposed budget also includes an increase for salaries for non-contractual employees. He recommended adopting the compensating rate plus four percent for property tax.* Property tax is only about 13% of our revenue and 50% of our property tax is commercial. He recommended issuance of an infrastructure grant. A Bond Anticipation Note was issued in December for purchase of the Public Works facility, it must be rolled over this December. In the past year 67 new companies were added with 500 new employees and we expect more to come. The team effort has allowed for accomplishments such as the \$80 m Aqua on the Levee development. We look forward to the construction of the new hotel at the Travelodge site and enjoying other new development for many years to come. The Fourth Street School bid results will be coming soon. Our goal is to continue promoting redevelopment – both residential and commercial. Housing is critical to redevelopment. We must continue to work on quality of life issues such as parks and recreation. Residents request parks which certainly can be an economic development tool along with maintaining a safe, walkable – and *bikeable* – community. He thanked the department heads for submitting reasonable requests and working to keep costs down. He thanked the budget committee and the finance department. 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.

ADJOURNMENT

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

Commissioner Hayden: Yes Commissioner Fennell: Yes Mayor Peluso: Yes
Commissioner Guidugli: Yes Commissioner Peluso: No Motion carried 4-1.

Commissioner Peluso stated the reason for his vote is that he has some concern for the personnel recommendations and the recommendation on the tax rate in conjunction with the personnel changes at this time, he would prefer to hold off on some of the changes.

The meeting adjourned at 6:45 p.m.

Date Approved/Signed

Jerry R. Peluso, Mayor

Attest:

Amy B. Able, City Clerk

*[Clerk's note: Commonly referred to as "comp plus four", the *allowable rate* is the rate which will allow an increase to revenue from property taxes of 4% above the compensating rate. This rate is determined by a detailed calculation and does not necessarily result in a *tax rate* that is four percent above the rate from the prior year. Depending on a number of factors, including but not limited to property reassessments and new construction and properties deleted from the assessment roles, the compensating rate and the allowable rate

in any given year may be only slightly higher or slightly lower than the rate adopted the prior year.]

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