

**City OF NEWPORT, KY**  
**REGULAR MEETING OF THE BOARD OF COMMISSIONERS**  
**Monday, June 15, 2020**  
**MINUTES**

**CALL TO ORDER / ROLL CALL**

The meeting was called to order by Mayor Peluso at 7:00 p.m. and held via video teleconference via the Zoom meeting application with a live stream to the City's Facebook page.

**In attendance** via video teleconference were: Commissioner Beth Fennell. Commissioner Frank Peluso Commissioner Thomas Guidugli, Jr., Commissioner Ken Rehtin, and Mayor Jerry Peluso. Also in attendance were: City Manager Thomas Fromme, City Attorney Daniel Braun, Police Chief Chris Fangman, Director of Finance Leonard Kuntz, Assistant City Manager Larisa Sims, and City Clerk Amy Able.

It was noted that, in accordance with the Governors Emergency Order and the provisions of SB 150, it is allowable to conduct the meeting via a live video teleconference. The meeting notice advised the public how to comment in advance or during the meeting. No advance comments were received.

**PRESENTATIONS**

Mr. Fromme gave a budget presentation. (See attached.) Amendment to the Fiscal Year 2019-2020 was discussed. Payroll tax is down and this figure is an estimate as an extension to July 15 was given due to the pandemic.

The city clerk gave first reading by title and summary to **O-2020-007:**

AN ORDINANCE OF THE BOARD OF COMMISSIONERS OF THE CITY OF NEWPORT, KENTUCKY AMENDING ORDINANCES O-2019-016 AND O-2019-028 AND **AMENDING THE BUDGET** FOR THE CITY FOR THE FISCAL YEAR JULY 1, 2019 TO JUNE 30, 2020, 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. Upon hearing there were no further comments or questions, the mayor called for a vote; by show of hands, the **motion carried unanimously, 5:0.**

Mr. Fromme continued the presentation reviewing the proposed budget for Fiscal Year 2020-2021.

The city clerk gave first reading by title and summary to **O-2020-008:**

AN ORDINANCE OF THE BOARD OF COMMISSIONERS OF THE CITY OF NEWPORT, KENTUCKY **ADOPTING THE BUDGET** FOR THE CITY FOR THE FISCAL YEAR JULY 1, 2020 TO JUNE 30, 2021, 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 Guidugli. Upon hearing there were no further comments or questions, the mayor called for a vote; by show of hands, the **motion carried unanimously, 5:0.**

**APPROVAL OF MINUTES**

Commissioner Fennell made a **motion to approve** the minutes of the May 11, 2020 regular meeting. Second to the motion was offered by Commissioner Guidugli. Upon hearing there were no questions or corrections, the mayor called for a vote; by show of hands, the **motion carried unanimously, 5:0.**

**NEW BUSINESS**

The city clerk gave first reading by title and summary of **O-2020-009**:

AN ORDINANCE OF THE BOARD OF COMMISSIONERS OF THE CITY OF NEWPORT, KENTUCKY AMENDING §111.03, §111.06, §111.27, AND §111.51 OF THE CODE OF **ORDINANCES CONCERNING ALCOHOLIC BEVERAGES**.

Commissioner Peluso made a **motion to approve**; second to the motion was offered by Commissioner Fennell. Mr. Fromme stated this is a housekeeping measure to allow the NQ-1 type license which had not seemed necessary when the most recent revisions were made. Upon hearing there were no further comments or questions, the mayor called for a vote; by show of hands, the **motion carried unanimously, 5:0**.

The city clerk read by title and summary **R-2020-022**:

AN ORDER OF THE BOARD OF COMMISSIONERS OF THE CITY OF NEWPORT, KENTUCKY, AUTHORIZING CITY MANAGER THOMAS J. FROMME, PURSUANT TO THE INTERLOCAL AGREEMENT ESTABLISHING THE CITY'S **PARTICIPATION IN THE KENTUCKY LEAGUE OF CITIES INSURANCE SERVICES ASSOCIATION**, TO ENTER INTO AND EXECUTE A **TRUST PARTICIPATION AGREEMENT** IN ASSOCIATION THEREWITH.

Commissioner Guidugli made a **motion to approve**; second to the motion was offered by Commissioner Fennell. Mr. Fromme reminded the Board this agreement allows the city to obtain insurance through KLCIS. Upon hearing there were no further comments or questions, the mayor called for a vote; by show of hands, the **motion carried unanimously, 5:0**.

The city clerk read by title and summary **R-2020-023**:

AN ORDER OF THE BOARD OF COMMISSIONERS OF THE CITY OF NEWPORT, KENTUCKY, AUTHORIZING CITY MANAGER THOMAS J. FROMME 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 THE HARTFORD FOR CRIME COVERAGE, AND WITH OHIO CASUALTY AND TRAVELERS INSURANCE FOR PUBLIC OFFICIALS BONDS, AND AUTHORIZING EXECUTION OF A **RATE STABILIZATION AGREEMENT** FOR PROPERTY AND LIABILITY INSURANCE WITH KLCIS.

Commissioner Peluso made a **motion to approve**; second to the motion was offered by Commissioner Fennell. Renewal rates were reviewed. Upon hearing there were no further comments or questions, the mayor called for a vote; by show of hands, the **motion carried unanimously, 5:0**.

The city clerk read by title and summary **R-2020-024**:

AN ORDER OF THE BOARD OF COMMISSIONERS OF THE CITY OF NEWPORT, KENTUCKY, **AUTHORIZING THE FILING OF A CORONAVIRUS RELIEF FUND ("CRF") APPLICATION FOR REIMBURSEMENT OF INCURRED EXPENSES** IN CRF FUNDS WITH THE DEPARTMENT FOR LOCAL GOVERNMENT ("DLG"); AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE ANY DOCUMENTS WHICH ARE DEEMED NECESSARY BY DLG TO REIMBURSE THE CITY; AND AUTHORIZING THE CITY MANAGER TO ACT AS THE AUTHORIZED CORRESPONDENT FOR REIMBURSEMENT.

Commissioner Guidugli made a **motion to approve**; second to the motion was offered by Commissioner Fennell. Mr. Fromme stated all departments have been tracking expenses. The maximum possible reimbursement would be about \$1m. This is an example of why everyone responding to the census is so important, the most recent annual estimate resulted in a reduction of \$200,000 in eligibility. The response rate for the current census at 57% is drastically reduced from 2010 and 2000. Upon hearing there were no further comments or questions, the mayor called for a vote; by show of hands, the **motion carried unanimously, 5:0**.

### **COMMENTS FROM CITY DEPARTMENT HEADS**

Mrs. Sims stated there will be a virtual public forum Thursday for the Comprehensive Plan Update Steering Committee to collect input.

### **COMMENTS FROM CITY MANAGER**

Several local cities are reducing staff due to the economic impact of the pandemic and the pension crisis. Many projects throughout Kentucky are on hold. Newport is in a better position than some. Everyone needs to continue to stick together as a community to get through and keep moving forward.

### **COMMENTS FROM THE BOARD OF COMMISSIONERS**

Commissioner Rehtin

- Thanked the Finance Department for extensive review with him on the budget.
- Recognized the Fire Department with regard to the work today at the Fire on Thornton.

Commissioner Peluso

- Asked for an update on the Emergency Business Assistance Program. Mrs. Sims replied the application period ended in late May and the program will spend about \$60k which will aid local businesses of all sorts.
- Asked for an update on parks. Mrs. Sims said there is a possibility of parks having a soft reopening in July but we do not want to promote large gatherings.
- Thanked all Newport and Campbell County police and fire working under extraordinary conditions.

Commissioner Fennell

- Police and Fire Departments work hard to keep this the great city it is.
- The budget process has involved a lot of hard work by staff.

Commissioner Guidugli

- This is a financially responsible budget and he appreciates the team work and having all the questions of the budget committee answered. We have intentionally focused on preparing for a rainy day, we have a path and we are prepared thanks to all this work.
- Thanks to all public safety in challenging times. Everyone must remember to listen to one another.

Mayor Peluso

- Echoed thanks for all the hard work on the budget. We all must continue to work together.
- The first responders have done a wonderful job.
- Residents expressed appreciation for who quickly fire and police responded to Thornton Street. Two neighbors alerted the resident of the fire and assisted in getting her and her pets out safely.

### **ADJOURNMENT**

There being no further business, Commissioner Guidugli made a **motion to adjourn**; second to the motion was offered by Commissioner Fennell. The motion carried unanimously, 5:0. The meeting adjourned at 8:10 p.m.

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Date Approved/Signed

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Jerry R. Peluso, Mayor

*Board of Commissioners of Newport, KY  
June 15, 2020 Meeting Minutes*

Attest:

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Amy B. Able, City Clerk

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# Amended FY 2020 and Proposed FY 2021 Budget

June 15, 2020

Budget Presentation

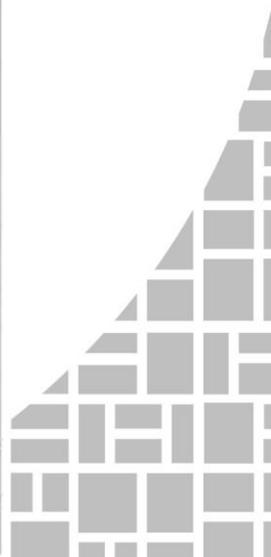


NEWPORT  
KENTUCKY

# FY 2020 Amended Budget - Revenues

	2019-20 BUDGET	2019-20 AMENDED
<b>Beginning Fund Balance</b>	<b>4,840,464</b>	<b>6,753,004</b>
<b>Transfers In :</b>	-	-
Refuse Fund	50,000	50,000
<b>Financing Sources :</b>	-	-
Note / Bond Proceeds	1,940,000	2,350,000
<b>Other Fin Revenue :</b>	<b>1,990,000</b>	<b>2,400,000</b>
<b>Estimated Revenues:</b>		
Property Taxes	2,858,270	2,929,810
License and Permits	14,343,600	13,541,530
Fines and Forfeits	122,800	204,840
Charges for Service	1,045,020	928,830
Uses of Property	1,018,530	1,023,800
Refunds/Reimbursements	5,300	88,420
Intergovernmental	1,024,480	1,116,740
Interest	10,000	45,000
Miscellaneous	1,000	1,000
Special Events	5,000	4,850
<b>Operating Revenues :</b>	<b>20,434,000</b>	<b>19,884,820</b>
<b>Resources Available</b>	<b>27,264,464</b>	<b>29,037,824</b>

New



# FY 2020 Amended Budget – Expenses

	2019-20 BUDGET	2019-20 AMENDED
<b>Resources Available</b>	<b>27,264,464</b>	<b>29,037,824</b>
<b>Appropriations:</b>		
<b>General Government</b>	<b>2,393,830</b>	<b>2,496,850</b>
Office of City Manager	1,522,100	1,685,490
Finance	871,730	811,360
<b>Public Safety</b>	<b>11,654,730</b>	<b>12,178,290</b>
Police	6,012,340	6,161,910
Fire/EMS	5,642,390	6,016,380
<b>Code Enforcement</b>	<b>831,800</b>	<b>973,750</b>
Administration	-	-
Code Enforcement	831,800	973,750
<b>Community Services</b>	<b>2,731,550</b>	<b>2,859,780</b>
Administration	234,970	236,700
Public Works	2,022,930	2,225,120
Pool	150,000	84,230
Parks & Recreation	323,650	313,730
<b>Municipal Complex</b>	<b>994,060</b>	<b>1,398,460</b>
<b>Debt Service</b>	<b>2,827,680</b>	<b>2,609,280</b>
<b>Operating Expenses :</b>	<b>21,433,650</b>	<b>22,516,410</b>
<b>Financing Uses :</b>		
Cost of Issuance	7,500	9,900
<b>Transfers Out :</b>		
Special Revenue Fund	50,000	5,800
Infrastructure/Cap Proj	315,000	315,000
Employee Benefits Fund	350,000	175,000
<b>Other Fin Uses:</b>	<b>722,500</b>	<b>505,700</b>
<b>Ending Fund Balance</b>	<b>\$ 5,108,314</b>	<b>\$ 6,015,714</b>
<b>Reserves :</b>		
Police Confiscations	-	64,130
C.C./Schneider Thirty	15,000	15,000
Compensated Absences	-	1,446,310
Equipment	206,710	300,000
Reserve Fund	1,500,000	1,500,000
Sinking Funds: 2019/2020	-	824,020
Legacy Pensions	200,000	750,000
Vacant Prop Acquisition	200,000	250,000
<b>UNRESERVED</b>	<b>\$ 2,986,604</b>	<b>\$ 866,254</b>

# City Manager's Budget Message

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NEWPORT  
KENTUCKY

# FY 2021 Proposed Budget - Revenues

	2020-21 REQ BUD
<b>Beginning Fund Balance</b>	<b>6,015,714</b>
<b>Transfers In :</b>	-
Refuse Fund	50,000
<b>Financing Sources :</b>	-
Bond Proceeds	-
Note Proceeds	-
<b>Other Fin Revenue :</b>	<b>50,000</b>
<b>Estimated Revenues:</b>	
Property Taxes	3,000,000
License and Permits	14,076,740
Fines and Forfeits	132,300
Charges for Service	888,790
Uses of Property	1,014,110
Refunds/Reimbursements	10,000
Intergovernmental	843,370
Interest	10,000
Miscellaneous	1,000
Special Events	2,500
<b>Operating Revenues :</b>	<b>19,978,810</b>

# FY 2021 Proposed Budget - Expenses

	2020-21 REQ BUD
<b>Resources Available</b>	<b>26,044,524</b>
<b>Appropriations:</b>	
<b>General Government</b>	<b>2,630,080</b>
Office of City Manager	1,693,430
Finance	936,650
<b>Public Safety</b>	<b>11,059,480</b>
Police	5,953,160
Fire/EMS	5,106,320
<b>Code Enforcement</b>	<b>903,430</b>
Administration	-
Code Enforcement	903,430
<b>Community Services</b>	<b>2,345,340</b>
Administration	245,620
Public Works	1,817,080
Pool	130,100
Parks & Recreation	152,540
<b>Municipal Complex</b>	<b>239,540</b>
<b>Debt Service</b>	<b>3,120,460</b>
<b>Operating Expenses :</b>	<b>20,298,330</b>
<b>Financing Uses :</b>	
Cost of Issuance	15,000
<b>Transfers Out :</b>	
Infrastructure/Cap Proj	324,000
Employee Benefits Fund	-
<b>Other Fin Uses:</b>	<b>339,000</b>
<b>Ending Fund Balance</b>	<b>\$ 5,407,194</b>

Fiscal Year Budget 2021: Draft # 5  
Full-Fund Balance

FY 2021  
Proposed  
Budget –  
Summary

6,015,714	Beginning Fund Balance
50,000	Transfer In: Refuse
50,000	Extraordinary Revenue
<b>Operating Revenues</b>	
3,000,000	: Property Taxes
14,076,740	: License and Permits
132,300	: Fines and Forfeits
888,790	: Charges for Service
1,014,110	: Uses of Property
10,000	: Refunds/Reimburse
843,370	: Intergovernmental
10,000	: Interest
1,000	: Miscellaneous
2,500	: Special Events
19,978,810	Total
<b>Operating Expenses</b>	
1,693,430	: City Manager
936,650	: Finance
5,953,160	: Police
5,106,320	: Fire
903,430	: Code Enforcement
2,345,340	: Community Services
239,540	: Municipal Complex
3,120,460	: Debt Service
20,298,330	Total
(269,520)	Operating Income / (Loss)
15,000	: Debt: Cost of Issuance
324,000	: Transfer out: Capital Projects
-	: Transfer out: Health Insurance
339,000	: Extraordinary Expenses
(608,520)	Net Income / (Loss)
5,407,194	Ending Fund Balance

# FY 2021 Proposed Budget - Reserves

Reserves: Restricted & Designated	
Proposed FY 2021	
	2020-2021 REQ BUD
<b>Ending Fund Balance</b>	<b>\$ 5,407,194</b>
<b>Reserves :</b>	
<b>Restricted:</b>	
Police Confiscations	65,000
C.C./Schneider Thirty Reserve Fund	15,000
Sinking Funds: 2019/2020	891,480
	824,020
<b>Designated:</b>	
Comp Abs	1,450,000
Equipment	300,000
Legacy Pensions	750,000
Vacant Prop Acquisition	250,000
<b>UNRESERVED</b>	<b>\$ 861,694</b>

**CITY OF NEWPORT  
FISCAL YEAR 2020-2021  
NUMBER OF PERSONNEL BUDGETED**

	<b>2019-2020</b>	<b>2020-2021</b>
<b>CITY MANAGER'S OFFICE</b>		
TOTAL FULL TIME	5	5
TOTAL PART TIME (including Board)	5	7
<b>FINANCE</b>		
TOTAL FULL TIME	7	7
TOTAL PART TIME	0	0
<b>POLICE</b>		
TOTAL FULL TIME	44	44
TOTAL PART TIME	6	6
<b>FIRE</b>		
TOTAL FULL TIME	35	34
TOTAL PART TIME	0	1
<b>DEVELOPMENT SERVICES</b>		
TOTAL FULL TIME	5	6
TOTAL PART TIME	3	2
<b>COMMUNITY SERVICES</b>		
TOTAL FULL TIME	14	14
TOTAL PART TIME	21	19
<b>REFUSE (Clean Team)</b>		
TOTAL FULL TIME	2	2
TOTAL PART TIME	0	0
<b>TOTAL FULL TIME</b>	<b>112</b>	<b>112</b>
<b>TOTAL PART TIME</b>	<b>35</b>	<b>35</b>
<b>TOTAL EMPLOYEES</b>	<b>147</b>	<b>147</b>

# FY 2021 Assumptions

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- Conservative Revenue Projections Considering Pandemic
- Property and Tangible Tax Rate – Comp +4%
- Health Insurance - 0% increase, zero transfers
- No TAN Issuance
- Municipal Road Aid
- No Reduction of Force
- Removed all Non-essential Vehicle / Equipment Purchases
- Delayed Issuance of Additional Debt
- Sidewalk and Streets Repairs
- Continuation of all Bond/Grant funded Capital Projects:
  - Grandview, US 27, Carothers, Floodwall Repairs