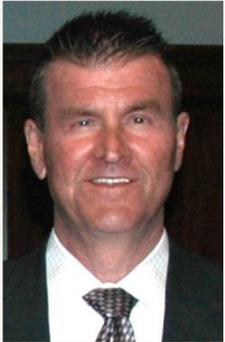




NEWPORT
KENTUCKY

City of Newport, Kentucky 2019 Annual Report

City of Newport, Kentucky, 998 Monmouth Street, Newport, KY 41071
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State of the City, 2020

By Thomas J. Fromme

As we enter 2020 it's time to reflect and report on the activities and condition of the City during 2019. This new year has added importance since it is the City's 225th birthday. While preparing to write this report, I looked through a few of the past annual reports and it became apparent that we are in the midst of one, if not the most productive period of our 225-year history.

From 2006 through 2018, Newport has enjoyed one success after another even through one of the worst recessions in American history. Throughout the housing recession, property values held steady, and by 2019 the city's overall property tax revenue increased by 58% compared to pre-recession values. 2019 was another very good year for the City, especially when you consider our rising pension costs.

The list on the following page includes just a few of the many improvements and developments during the period from 2006 through 2018. In 2019 we celebrated many ground breakings and ribbon cuttings throughout the City. Corporex broke ground on the first phase of the Ovation project. This phase includes an indoor/outdoor music venue, a potential office building and parking garage. The Route 9 project is nearing completion of its final phase, opening up a new growth corridor for the City. The Academy on 4th residential development is nearly complete and currently leasing.

The former K-Mart site was redeveloped and is currently home to ALDI grocery store, Burlington and Ross Department stores. The former Baptist home site is also undergoing redevelopment as a 45-unit condominium complex, repurposing the old building. Newport on the Levee, under new ownership, has also commenced a \$100 million renovation. When complete, the Levee will experience a new vision and fresh new look.

City of Newport Board of Commissioners

Jerry R. Peluso
Mayor

Tom Guidugli, Jr.
Vice Mayor

Frank Peluso
Commissioner

Beth Fennell
Commissioner

Ken Rehtin
Commissioner

"2019 was another very good year for the City, especially when you consider our rising pension costs."

On the fiscal front, the City has continued working on securing and stabilizing our finances. For the calendar year 2019 the City ended with a General Fund Cash Balance of \$4,754,873 up \$1,300,000 from 2018. We have established critical reserve funds for the general fund, compensated absences and legacy pension obligations. Our 2018-2019 budget reflected success with revenues surpassing budgeted projections. Over the last five years, the City's net payroll revenues have increased nearly \$1,200,000. In 2019 the City gained a net 70 new companies doing business in the City, with 194 net new employees.

Business growth continues in the City, which is critical since we rely on payroll as our primary source of revenue, accounting for approximately 35% of all revenue. Our largest or fastest growing businesses are PL Marketing, Kroger, Defender Direct, Divisions, Inc., Impact Sales, St. Elizabeth, DJ Joseph Co., National Band and Tag Co. Inc., I-Wireless, CompMed and Nexigen.

While many great things are happening in the City, we also are confronted with serious challenges in this new year. Increased costs related to personnel, specifically, crippling increases of over \$1.6 million in pension costs dictated by the state pension system are expected over the next few years.

Due to these increases and other rising costs, we are continually examining ways to maintain an adequate level of service in the future within the constraints of our revenue. Perhaps the most difficult challenge for Newport and surrounding cities is addressing the delivery of public services to our residents. We continue to operate with a very small but efficient staff and make every effort to provide a high quality of service in a cost-effective manner (having reduced City staffing by nearly 30 employees in recent years). Currently we have approximately 114 full time employees, with more than 80 in public safety.

The City has continued to invest in its aging infrastructure and equipment, however aging infrastructure and rising costs continue to be a challenge. During the next few years, we anticipate spending several million dollars on infrastructure related projects and equipment acquisition, including upgrades to the 800 MHz radio system used for public safety. The 2019-2020 Budget and work priorities include a focus on capital improvements, including expending the funds from bond issues for several critical projects.

Much was accomplished in 2019, and 2020 continues to look very promising. Construction on Ovation and changes at Newport on the Levee will continue throughout the year and beyond.

From 2006 through 2018 the following projects have been undertaken:

- ❖ *Southshore Condominiums*
- ❖ *Vue 180 Residential*
- ❖ *Monmouth Row Residential*
- ❖ *Aqua on the Levee Residential/Hotel*
- ❖ *Hampton Inn*
- ❖ *Nexigen*
- ❖ *Ethos Labs*
- ❖ *St. Elizabeth Urgent Care*
- ❖ *Newport Pavilion Retail Center*
- ❖ *Route 9 Connector*
- ❖ *New Riff Distillery and Rick House - East and West Campuses*
- ❖ *Citywide LED Streetlight Replacement*
- ❖ *Green Line Bus Barn Renovation*
- ❖ *Purchase of New Pubic Works Facility*
- ❖ *Redevelopment of Carothers Road*
- ❖ *Clifton Hills Senior Citizens Residential*
- ❖ *BB Riverboats Newport Landing Redevelopment*
- ❖ *Millions of Dollars in Single Family Home Investments*
- ❖ *Street and Sidewalk Restoration in Excess of \$8 Million*
- ❖ *Infrastructure Repairs to address Runoff*
- ❖ *Improvements to Riverfront Commons*

Construction on Carothers Road and design work on the South Monmouth street (US 27) will commence and continue this year, including a partnership with surrounding cities on smart corridor initiatives. Development of a mixed-use hotel and office development at the Peace Bell site is also expected to begin during the year. We will continue with our City-wide street and sidewalk repaving program and streetscape improvements on Monmouth Street. We are commencing our 5-year Comprehensive Plan review as required by statute.

Our goals for 2020 continue to include: further redevelopment of residential and commercial properties; working on quality of life issues - such as parks and recreation; and maintaining a safe walkable community. From a fiscal perspective, we continue working on growing revenues and keeping our expenses reasonable.

The goals for 2020 are listed in their entirety in this Annual Report and metrics can be found on our online transparency portal at <https://newportky.opengov.com>.

Great things are happening in Newport!

Sincerely,
Thomas J. Fromme City Manager



*Mayor, Board of Commissioners, and City
Management*

2019 Accomplishments

General Government and Administration

- Updated Procurement Policy to reflect Federal Guidelines and use of Springbrook
- New Tree Ordinance language adopted, and processes implemented
- Added annual report information to Open Gov and implemented automated financial integration between systems
- Facebook friends at 2,396, up 35% from last year
- Part-Time Business License Auditor hired as full-time to help assist P&Z and BOA
- Implemented a new 'Alcohol Regulatory Fee' and successfully implemented process and accommodated changes in the KVS Collection system
- Setup 'WRAPS' portal for City & CCCDB to submit KY income Tax electronically
- FY 2020 audit completed, and report dated by 12/31/19

Public Safety: Police

- Purchased additional Wolfcom Vision body cameras to replace aging/ defective units to remain integrated with future technology
- Updated Policy and Procedure manual to current accreditation standards
- Implemented an infrastructure plan for accreditation compliance regarding holding cells/ booking station
- Transitioned to firearm lighting system/ corresponding holster
- Purchased vehicles to replace antiquated patrol vehicles/ equipment
- Researched options for possible purchase of stationary speed monitoring devices

Public Safety: Fire

- Received FEMA Grant for Fire Station Vehicle Exhaust Systems and installed same
- Replaced 2005 Ambulance and put New in Service
- Replaced all out of date turnout clothing.
- Replaced old Ambulance Cots with State of the Art Automatic Cot Loading Systems to reduce chance of injuries
- Promoted 2 Captains, 4 Lieutenants and 3 Engineers because of 4 Retirements and hired 1 new Firefighter/Medic
- Fully implemented software program
- Have 4 members participating on the County Fire Investigation Team
- Went through hiring process to replace retiring Administrative Assistant
- Worked on County FEMA 800 Radio Grant
- Updated the Department Organizational Chart and changed areas of responsibilities to members, because of retirements
- Surveyed buildings that had structural problems to improve Firefighters safety

2019 Accomplishments (continued)

Infrastructure and Maintenance

- 9th Street Storm Sewer Replacement
- Install 10 handicap ramps and 500 feet of curbing
- Ordered two public works trucks with salt spreaders and plows
- Resurface Veterans Park
- Replace pavers along 900 block of Monmouth Street
- Resurfacing/ reconstruction of Hoyer Alley, Elm Street, Isabella to Brighton, Brighton 6th to 12th, Roberts, Wildcat Drive, West Ridge, East Ridge, Ann Street, Grandview, Washington 3rd to 11th
- Replaced LED lights at Veterans Pool
- Designed Grandview Avenue Stabilization Project
- Maintained all City Parks
- Flood Levee Administration:
 - Aqua Storm Sewer Project Closed Out
 - KYTC Route 9 Closure progressing
 - Riverwalk Phase III Bridges Project Construction underway
 - Ovation Parking Structure Plan Permit submitted for review
 - Slide at Washington Street Pump Station
 - New Riff Phase III (West Campus) Permit submitted



New Fire Department Ambulance

2019 Accomplishments (continued)

Community and Economic Development

- Business Recruitment / Retention
 - 3 JDIP projects, Centennial, Comp Med, and Healthpoint, which will result in 200 new jobs to the City
 - Drafted new Entrepreneurship Incentive to enhance the City's small business climate
 - 27 Ribbon Cuttings, doubled from 2018
- Development / Real Estate Progress:
 - Peace Bell IRB approved, State TIF Application Submitted
 - Ovation Music Venue Plan Approved, construction began, Bond financing approved and TIF annual reporting successfully submitted
 - CitiRAMA announced for 13/14th Street housing development
 - Skypoint Condominium IRB approved, ribbon cutting completed
 - Discussions progressed on Newport Landfill Redevelopment
 - Newport on the Levee held Groundbreaking, applied for Tourism Tax Credits
 - Processed 10 Façade Grant Applications
 - Tailor Lofts rehab project approved and applied for Historic Tax Credits
- Transportation
 - Red Bike – 3 stations installed
 - Kickoff US 27 design
 - Bridges Project / Riverwalk began construction
 - Applied for and awarded \$330,000 in discretionary funds for roadway slippages
 - Carothers Road Design – Updated to consider underground utilities
 - Successfully implemented Connect NKY Bike Lane Demonstration Grant Project



OVATION's Music Venue

2019 Accomplishments (continued)

Community and Economic Development (continued)

- Recreation and Culture
 - Fitness Court installation at Buena Vista Park
 - Bernadette Watkins Park Playground Equipment Grant / Installation
 - Floodwall Mural Grant Awarded from Horizon Fund's 410
 - Over 10 Events held at the Newport History Museum @ The Southgate Street School
 - Bourbon Barrell Program participation (over 50)
 - Hosted Newport Arts and Music Festival and Taste of Newport
 - Participated in Restoration weekend and River Cities Excellence in Preservation Awards
- Planning
 - Selected Comprehensive Plan Consultant
 - Held 6 Planning Commission meetings, reviewed 18 map and text amendments/development plan cases
 - All Planning Commission members and staff are up to date on required HB 55 and certification trainings

Code Enforcement

- Continued the process of the comprehensive review of the City's zoning code and historic preservation guidelines
- Renewed the City's Expanded Jurisdiction contract with the State of Kentucky for Commercial Construction and HVAC permitting
- Purchased 3 new vehicles for Code Enforcement
- Issued 842 Building Permits and collected \$193,162 in permit fees based on an estimated construction cost of \$48,553,118
- Significant updates to Zoning Ordinance were made including regulation of small cell towers
- Collected \$88,253 in delinquent taxes
- Filed 30 new foreclosure cases.



Key Metrics, 2015-2019

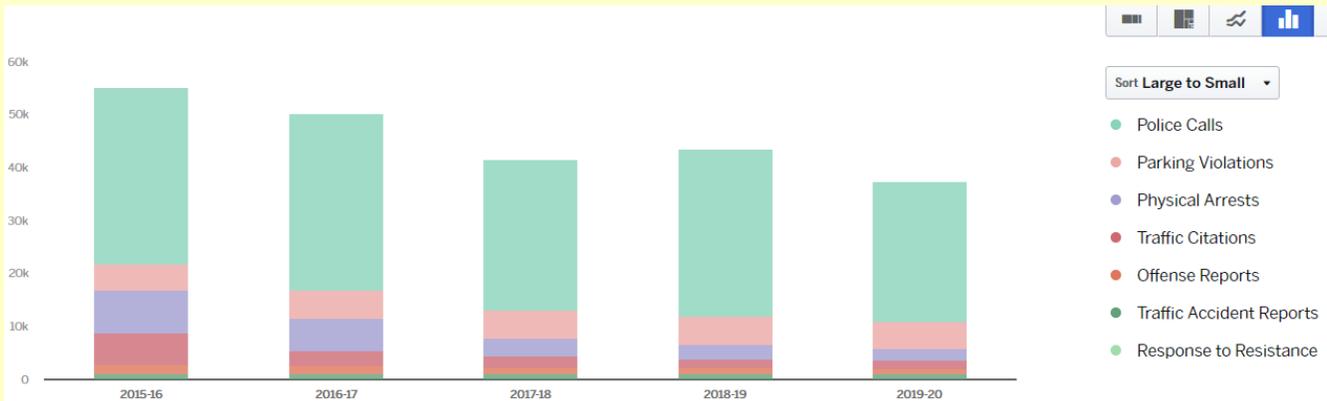
General Government	2016	2017	2018	2019
Worker Compensation Claims	22	14	13	10
Injury Days Lost – “Days Away”	71	72	241	271
Sick Time Utilized	6,372 hours	7,054 hours	7,903 hours	7,504 hours
Delinquent Collections /Property Task Force*	\$285,067	\$218,972	\$568,762*	\$361,440*

Personnel Summary	2015-16	2016-17	2017-18	2018-19	2019-20
<i>City Manager's Office</i>					
Total City Manager's Office Full Time	4	5	6	6	5
Total Part Time	8	8	6	5	5
<i>Finance and Administration</i>					
Total Full Time	6	6	6	6	7
Total Part Time	0	1	1	1	0
<i>Police</i>					
Total Full Time	46	45	46	44	44
Total Part Time	5	5	5	6	6
<i>Fire</i>					
Total Full Time	38	38	38	38	34
Total Part Time	0	0	0	0	1
<i>Development Services</i>					
Total Full Time	4	6	7	5	5
Total Part Time	1	1	3	3	3
<i>Community Services</i>					
Total Full Time	14	15	15	15	16
Total Part Time	19	19	21	23	19
TOTAL FULL TIME	112	115	118	114	111
TOTAL PART TIME	33	33	36	38	34
TOTAL EMPLOYEES	145	148	154	152	145

Business Information	2015	2016	2017	2018	2019
New Companies	55	56	60	71	92
Lost Companies	15	31	69	31	22
New Employees	321	325	163	208	258
Lost Employees	66	235	121	84	64
Net Payroll	\$6,019,821	\$ 6,390,544	\$6,668,365	\$7,162,397	\$7,460,944

Public Works	2015	2016	2017	2018	2019
Street Miles Paved	3.5	1.6	1.4	0	3.7
Tons of Asphalt	446.4	389.7	164	92	88
Potholes filled	4,464	3,897	1,640	920	879
Handicap access ramps	22	13	12	10	14
Trees removed	12	38	26	58	15
Trees planted	130	212	28	71	177
Salt tons used	822	810	200	1,177	833.44
Overtime for snow removal	76	430	134.5	534.5	369.5
Days streets swept	158	160	161	168	163
Pool Attendance	8,166	9,151	6,740	6,157	8,148
Field use / Permits *Actual Permits (versus Users)	82	87	742*	396*	408
Signs replaced/installed	115	178	123	150	207
Crosswalks striped	24	16	22	22	8
Streetlights replaced	252	750	600	19	7

Police	2015	2016	2017	2018	2019
Police calls	33,367	33,269	28,424	31,632	26,433
Traffic citations	5,915	2,811	2,149	1,610	1,476
Physical arrests	8,060	6,116	3,450	2,646	2,100
Traffic accident reports	1,202	1,165	1,163	1,169	1,140
Offense reports	1,716	1,513	1,166	1,208	1,115
Response to resistance	16	12	15	15	8
Parking Violations	4,946	5,430	5,319	5,431	5,302
Parking meter collections	\$212,581	\$234,174	\$214,992	\$221,126	\$224,817



Fire	2015	2016	2017	2018	2019
Paramedic runs	3,702	3,592	3,710	3,245	2,976
Fire runs	1,642	1,643	1,636	1,712	1,672
Inspections	673	678	573	675	518
Ambulance Revenues	\$522,260	\$471,299	\$468,665	\$402,433	\$429,749

Code Enforcement	2015	2016	2017	2018	2019
Code Enforcement citations	197	620	555	1,339	677
Code inspections	1,608	3,048	2,707	3,621	3,871
Condemnations	21	18	19	16	11
Residential permits	371	539	463	508	642
Residential Construction Cost	\$3,971,533	\$5,914,259	\$5,409,907	\$1,0285,311	\$8,219,777
Residential Permit Fees	\$43,217	\$61,954	\$48,939	\$64,522	\$69,726
Commercial permits	213	139	159	166	200
Commercial Construction Cost	\$10,691,550	\$5,568,938	\$8,376,022	\$34,922,106	\$40,333,341
Commercial Permit Fees	\$102,577	\$33,161	\$35,765	\$101,127	\$123,436
Complaints	640	1,920	1,440	1,506	1,303
Number of Code Officers	1	3	2.5	3.5	3.5
Historic Preservation COA's issued	239	230	296	361	371

Capital Equipment					
Purchased 2017	Cost	Purchased 2018	Cost	Purchased 2019	Cost
Springbrook Software	\$35,537	Springbrook Software	\$36,042	Springbrook Software	\$10,124
Hot Box	\$33,133	3 Dodge Chargers	\$91,244	7 Dodge Chargers	\$195,010
Utility Box Truck	\$44,093	2 Ford Explorers	\$68,536	1 Ford Explorer	\$27,840
Ford Escape	\$24,550	1 Jeep Cherokee/ 1 Grand Cherokee	\$55,786	1 Horton Custom Ambulance	\$197,788
3 Dodge Chargers	\$83,277	Vet's Pool Lighting Replacements	\$39,925	1 Clark Forklift	\$22,595
Ford Transit Van	\$21,574			2 Medical/ Ambulance Power Cots	\$89,210
Total:	\$242,164	Total:	\$327,575		

Infrastructure Improvements					
2017		2018		2019	
Street Resurfacing	\$294,641	Street Resurfacing	\$262,012	Street Resurfacing	\$405,802
Carothers Rd	\$79,757	Carothers Rd.	\$30,428	Carothers Rd.	\$11,381
Mast Arm Poles	\$193,934	Mast Arm Poles	\$82,352	Mast Arm Poles	\$15,445
Riverfront Commons III / Bridges	\$53,772	Riverfront Commons III	\$36,295	Riverfront Commons III	\$9,900
Monmouth Street Improvements	\$301,855	Parking Lot LED Lights	\$47,000	Monmouth Streetscape Improvements	\$108,523
Roundabout Design	\$43,365	Rt. 9 Underground Utilities	\$500,000	Rt. 9 Lighting Upgrade (91)	\$105,000
Duke Energy: City-Wide LED Streetlights	\$104,659	Duke Energy: City-Wide LED Streetlights)	\$372,011	Duke Energy: City-Wide LED Streetlights	\$58,434
Curb & Ramp Replacements	1160 curbs 14 ramps	Wildcat Dr.	\$19,735	Waterworks Rd. Sewer Improvements	\$16,175
Taylor Creek Improvements	\$28,400	Project 1620 Roundabouts	\$11,892	Buena Vista Fitness Court	\$93,200
Slide Repairs / Floodwall	\$24,580	Slide Repairs/ Floodwall	\$21,700	Slide Repairs: Grandview/ Floodwall	\$13,630
Grandview Ave	\$400,571	Grandview Ave	\$315,770	9 th St. Catch Basin Improvement Project	\$23,378
Watch Hill /Curbs	\$64,887	Watch Hill Curbs	\$56,918		
Riverfront Commons II / Sidewalks	\$213,189	Riverfront Commons II	\$41,052		
Sewer Relocation	\$472,354				
Pool Lights	\$39,925				
Total:	\$1,372,220	Total:	\$2,315,889	Total:	\$1,797,165

2020 Goals

General Government and Administration

- Continue to strengthen the City's reserves
- Investigate and assess Springbrook 'Extended Budgeting' module
- Complete 2020-2021 Budget and FY 2021 Budget Book
- Hire 'Staff Accountant'
- Look into taking credit card on the second floor of City Hall
- Implement Fraud Controls on BB&T Bank Accounts (ACH & Positive Pay)
- Update City Website
- Add police and fire data to Open Gov reports
- Review and Update the Job Descriptions with Department Heads
- Review and update Communications Listing with Departments
- Have a Lifeguard Class for the 2020 Pool Season
- Implement a School Crossing Guard Appreciation Day
- Revise Comp Time Policy and Implement a Dress Code Policy for front line staff
- Work with various Department Heads and Newport Schools to implement Job Shadow Day
- Create goals for the Comprehensive Plan update to address community needs including development, pedestrian/cyclist considerations and development of additional green space in the downtown urban core
- Develop a community engagement strategy for each department

Public Safety: Police

- Update the Criminal Investigations Division surveillance equipment to digital technology
- Purchase one new Nikon D7100 digital camera for Criminal Investigations Division
- Purchase sixteen Traffic Logix solar powered LED stop signs
- Develop and implement a quality of life unit within the patrol division
- Implementation of Traffic Logix stationary speed monitoring devices
- Increase the number of traffic and surveillance cameras throughout the city to include ingress and egress points to the city and areas of heightened criminal activity
- Research/explore the Shot Spotter gunshot detection system

Public Safety: Fire

- Train New Officers for their specific areas of responsibilities
- Prepare FEMA Grants for Stations Alerting Systems & Replacement Vehicle Extrication Equipment
- Train Replacement Administrative Assistant
- Make sure the Department is fully trained on the use of the new County Radio System
- Renew Efforts on Building Preplans
- Participate with Active Shooter Drills at Newport on the Levee
- Continue to Survey Abandoned and Condemned Structures for Risk Assessment Reference Interior Firefighting
- Place in Service Replacement Engine-Pumper and training on new unit
- Install Vehicle Exhaust System at South Newport Fire Station
- Prepare a new Firefighter Eligibility and Engineer Promotion List because of upcoming Retirements
- Review and study area Ambulance Transport fees

2020 Goals (continued)

Infrastructure and Maintenance

- Complete Overlook Drive and Grandview Avenue Slide repairs
- Continue Mussman Park Improvements
- Implement sidewalk replacement plan (Tree Damage)
- Complete Roof and HVAC improvements at City Hall
- Continue phases for Monmouth Street Paver Replacement
- Finish Bridges / Riverwalk Project
- Phase II Carothers Construction

Community and Economic Development

- Continue Business Recruitment / Retention Efforts
- Continue progress on all current Development Projects
- Oversee Façade Program
- Oversee Economic Development Incentive Programs
- Finalize design for US 27
- Planning Commission Administration and Oversight
- Complete 2020 Comprehensive Plan Update
- Continue Zoning Updates / Review of Fee Structures
- Partner with neighboring Cities on the US 27 Smart Corridor Initiative

Code Enforcement

- Continue the Implementation of the new Code Enforcement software program for tracking of Permits and Complaints.
- Work to streamline the application process for permits utilizing the new software program allowing online acceptance of applications.
- Continue the process of zoning code and historic preservation ordinances updates.
- Continue to collect delinquent amounts due to the City.
- Continue to identify vacant properties and take whatever steps needed to bring them into compliance with code and/or aid in redevelopment of the property.
- Continue to work to correct problem properties throughout the City.



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