



The Newport Board of Education held a special meeting on March 3, 2021 at 6:00 PM. The meeting was held in the AD Owens Professional Development room.

CALL TO ORDER

Chairman Malone called the meeting to order and asked for a roll call. The following were present: Ramona Malone, Dr. Julie Smith-Morrow, Melissa Sheffel, Sylvia Covington, and Aaron Sutherland.

Also, in attendance: Tony Watts, Superintendent, and invited guest Susan Stone, Fidelity Investments via video conference.

Ms. Malone asked those in attendance to stand and recite the Pledge of Allegiance and pause for a Moment of Reflection.

PRESENTATION

Susan Stone, financial consultant with Fidelity Investments, was present to discuss the Chester Davis Scholarship Foundation fund.

Jennifer Hoover introduced Ms. Stone and discussed the goals of the foundation.

Ms. Stone introduced herself and shared her personal and business background information with the board. Her presentation included:

- Investment strategy – Fidelity is proposing a growth with income strategy which seeks moderate asset growth and income with some protection against inflation by investing in stocks, combined with secondary components in bonds and short-term money market investments.
- A comparison of the growth with income strategy compared to other strategies.
- Explanation of diversification.
- Partnership with a Fidelity advisor and a team dedicated to overseeing the account.
- Asset allocation.
- Fees for service (0.819% based on estimated \$931,000)
- Reporting back to board – quarterly/annually

Dr. Smith-Morrow asked for an explanation of the 0.362 expense ratio - The expense ratio is a measure of mutual fund operating costs relative to assets. Investors pay attention to the expense ratio to determine if a fund is an appropriate investment for them after fees are considered.

There were no other questions. The board thanked Ms. Stone for her presentation and informed her there would be one more interview next week before a decision would be made on which investment firm would be hired by the board.

Mr. Sutherland suggested the board decide on an investment firm before proceeding to an investment strategy. Hiring Fidelity to handle the account would cut out the middleman and any additional expenses and they are a local firm.

Ms. Hoover asked the board to start thinking about how to handle all the scholarship funds. The board asked Ms. Hoover to bring her proposal to them.

ADJOURNMENT

There being no further business, on MOTION BY SMITH-MORROW AND SECONDED BY SUTHERLAND the meeting adjourned. Time: 6:46 PM

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Chairman

Secretary