



The Newport Board of Education held a special meeting on March 17, 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, and Aaron Sutherland.

Also, in attendance: Tony Watts, Superintendent, and invited guests from RSA Municipal Advisory Services.

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

Ms. Covington entered the meeting at 6:11 PM.

PRESENTATION

RSA MUNICIPAL ADVISORY SERVICES

Dwight Salsbury introduced himself to the board members he had not met to date. He proceeded to inform those in attendance that RSA (formerly Ross Sinclair & Assoc.) has been serving the district for over 22 years.

Mr. Salsbury has 19 years of experience in public finance, and he specializes in providing investment banking and municipal advisory services to KY cities, counties, public school districts, colleges & universities, special taxing districts and not-for-profit organizations.

Mr. Salsbury introduced Dr. Bob Tarvin who served 20 years as Executive Director for the KY School Facilities Construction Commission. He has worked for RSA for the last 6 years as a Municipal Advisor Representative for KY public school districts. He has assisted many districts, including Newport, in passing “recallable nickels” and qualifying for “urgent need” funding from the KY State Legislature.

Next, he introduced Mitch Crump. Mr. Crump serves as a relationship manager for the district. He has extensive experience within the public schools having served 22 years in KY public education.

Mr. Salsbury’s presentation included:

- RSA – KY Rankings
- RSA School Fiscal Agent Services – much more than bonding advisors
- Newport ISD Experience

- Recent KY School Bonds Issues
- Newport's Nickel Timeline – thanks to Bob Tarvin's assistance
- Projected Bonding Potential
- RSA serves 70% (120) KY school districts.
- Projected bonding potential.
- Refunding Opportunities

Both Mr. Tarvin and Mr. Crump spoke. They reiterated their roles with RSA and reviewed their firm's vast experience in many areas of school finance.

Mr. Sutherland asked about fees. Fees are set by KDE – 1.1% for the 1st million, 1% for the 2nd million, and .4% for anything over.

Dr. Smith-Morrow asked about conflict of interest when it comes to being the fiscal agent for the board and the city. Mr. Salsbury said there is no conflict. There is a segregation of duties; the city deals with general obligation bonds and the district deals with revenue bonds. They never cross boundaries.

The board thanked the reps from RSA and said a decision would be made soon.

COMPASS MUNICIPAL ADVISORS

Dr. Anthony Strong, Vice President, Compass Municipal Advisors, was present along with Keith Brock, Senior Vice President, to introduce their municipal services to the board. Compass is an independent municipal advisory firm with offices in Lexington, KY and Columbia, SC. They have been in business for over 30 years. They assist schools, local and state governments, utilities, as well as non-profit entities in a variety of areas including financial and capital planning, debt issuance and management, and investment management services. Their presentation included:

- The firm's experience.
- Client map in both KY and SC
- Role as financial advisor
- Capital planning process.
- Proprietary bond rating model
- Marketing
- Ongoing services
- Auxiliary services

Upon completion of the presentation, Dr. Smith-Morrow asked the reps about a conflict of interest when it comes to being the fiscal agent for the board and the city. Both Dr. Strong and Mr. Brock said they had not run into that situation. If there was ever a conflict, it would be their fiduciary duty to disclose this to both parties.

The board thanked the reps from Compass and said a decision would be made perhaps as soon as the next regular board meeting.

BOND PROPOSAL DISCUSSION

After initial discussions regarding the two presentations, the board will study both proposals and consider approving one at next week's meeting.

DISCUSSION NEWPORT EDUCATION FOUNDATION – INVESTMENT FIRM

Ms. Hoover made her recommendation to the board regarding her choice of investment firms. This was based on services, fees, and legal issues. After much discussion, this will be looked at further before going before the board for a final approval.

AMENDED BG-1 NIS RE-ROOF PROJECT

After discussing the additional expense for this project, On MOTION BY SMITH-MORROW AND SECONDED BY SUTHERLAND the amended BG-1 for the re-roof project was approved.

1192 – MOTION CARRIED 4-0

AMENDED CAPITAL FUNDS REQUEST

This request and change are directly related to the additional costs of the re-roof project. On MOTION BY SUTHERLAND AND SECONDED BY SMITH-MORROW the amended capital funds request was approved.

1193 – MOTION CARRIED 4-0

ADJOURNMENT

There being no further business, on MOTION BY SUTHERLAND AND SECONDED BY SMITH-MORROW the meeting adjourned. Time: 8:20 PM

1193 - MOTION CARRIED 4-0

Chairman

Secretary