



The Newport Board of Education held a special meeting on August 18, 2021, at 11:30 AM. The meeting was held at 30 W. 8th Street, Newport, KY. PURPOSE: Tax rate discussion and setting of any public hearings required depending on proposed tax rates.

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, and Aaron Sutherland.

Superintendent Watts was also in attendance.

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

TAX RATE DISCUSSION

Ms. Hoover prepared a new tax rate summary to compare the revenue that would be generated based on the compensating rate of \$1.002, prior year rate of \$1.017, a rate of \$1.020, a rate of \$1.025 and the 4% increase of \$1.042.

Dr. Smith-Morrow commented on the collection rate of 96.5%. Up from the estimated percentage of 90% presented at the last meeting.

Ms. Sheffel asked for a recommendation from Mr. Watts. Mr. Watts said he'd be satisfied with 1.020 or 1.025. His reasoning centered on future salary increases, construction costs, and declining enrollment that will affect SEEK funding. Mr. Sutherland asked how much money the district has received thru federal funding due to COVID. Ms. Hoover said we've received \$15.5 million total thru 3 different grants. \$997,000, \$4.7 million, and \$10.2 million.

Mr. Sutherland said he understands the need to have funding for the future but based on the funding the district has received due to COVID, he is not convinced we should adopt anything other than the prior year rate; not to mention performance is still down. Ms. Malone has the same concerns but does understand the need to build the general fund, so the district is in good financial position when the ESSER funds expire.

Even though this was a special meeting, a citizen expressed her concern regarding raising tax rates for many senior citizens on social security. Many are concerned they will be taxed out of their homes. With the rise of property valuations, citizens do not see the need to raise property taxes from the prior year rate.

Mr. Sutherland said since we have until 2024 to spend the ESSER funds, that gives the superintendent and the finance officer plenty of time to plan accordingly and keep the district fiscally sound.

Dr. Smith-Morrow added that ESSER funds are restricted for certain kinds of expenditures and not intended to take the place of tax income; this board has the responsibility to review our superintendent and finance officer's recommendations and minimize tax rate increases out of consideration for taxpayers, when possible, but in the end, we have to make the best decision for the students.

Discussion continued regarding additional staff hired due to learning loss. Mr. Watts said staffing numbers will be looked at in the spring.

On MOTION BY SMITH-MORROW AND SECONDED BY SHEFFEL, the board scheduled a public hearing on September 8 to hear comments on a tax rate not to exceed \$1.020.

1244 – MOTION CARRIED 4-0

Appropriate legal ads will be published on Monday, August 23rd and August 30th in the KY Enquirer announcing a public hearing.

ADJOURNMENT

On MOTION BY SMITH-MORROW AND SECONDED BY SUTHERLAND the meeting adjourned at 12:32 PM.

1245 – MOTION CARRIED 4-0

Chairman

Secretary