



REDDING SCHOOL OF THE ARTS
WHERE EDUCATION AND THE ARTS CONNECT

Redding School of the Arts
California Nonprofit Benefit Corporation
Board Meeting Agenda
Posted Friday, November 3, 2023

Date: Monday, November 6, 2023
Location: 955 Inspiration Place, Redding Community Room
Open Session 9:00 A.M.

Meeting called to order by Presiding Officer
Roll Call/Establish Quorum:

Jonathan Sheldon, President	_____	Jean Hatch, Vice President	_____
Sharon Hoffman - Spector, Treasurer	_____	Tiffany Blasingame, Secretary	_____
Antonio Cota, Community Member	_____	David Skinner, Parent Rep Member	_____
Daria O'Brian, Community Member	_____		

Additional Non-Voting Participants:

Lane Carlson, Executive Director	_____	Shelley Tan, Special Ed Director	_____
Carol Wahl, Principal	_____	Sophia Zaniroli, Vice Principal	_____
Rebecca Lahey, Staff Liaison	_____	Robyn Stamm, Business Service Provider	_____

Public Forum:

Hearing of persons desiring to address the Board on a subject NOT covered in this agenda. NOTE: 1) Individual speakers will be allowed three (3) minutes to address the Board. The Board President may further limit the speaking time allowed in order to facilitate the progress of the meeting. 2) Complaints presented to the Board must not involve specific reference to employees. Citizens should contact the Director for complaint procedures regarding employees. 3) A charter school cannot take action on a matter that has not been placed on the official agenda. (G.C. 54954.2).

REGULAR AGENDA

The regular agenda includes those individual items to be discussed by the Board. Some of those items may also require action or approval by the Board. Members of the public will have the opportunity to address the Board on any item at the time that particular item is discussed by the Board, and prior to any action taken by the Board. Individual speakers will be allowed three (3) minutes to address the Board.

Discussion/Action Agenda

Financial Reporting

2.1 Discussion/Action: RSA/Campanile Group, Inc. Municipal Bond Advisor Engagement (30 Min)

Meeting Adjournment:

Next Regular Meeting:

Date: Thursday, November 16, 2023
Time: 5:45 p.m.
Location: Redding School of the Arts/Community Room
955 Inspiration Place
Redding, CA 96003

In compliance with the Americans with Disabilities Act, for those requiring special assistance to access the Board meeting room, to access written documents being discussed at the Board meeting, or to otherwise participate at Board meetings, please contact the Main Office at 530-247-6933 for assistance. Notification at least 48 hours before the meeting will enable the school to make reasonable arrangements to ensure accessibility to the Board meeting and to provide any required accommodations, auxiliary aids or services.

**Redding School of the Arts, Inc.
California Not for Profit Corporation**

Financial Reporting

SUBJECT: Agenda Item 2.1 – RSA/Campanile Group, Inc. Municipal
Bond Advisor Engagement

PREPARER: Lane Carlson

RECOMMENDATION: Discussion/Action to Approve Agreement

BACKGROUND:

The board will review the proposed agreement between Campanile Group, Inc. and RSA for the purpose of securing a municipal advisor. Campanile Group, Inc. will provide municipal advisory services to RSA, helping them navigate the bond financing process. Campanile Group, Inc. will represent the school during the bond financing process, making sure the school receives the best possible structure, rates, and terms.

The board will review the information presented before taking action to approve.

- See Attached: Campanile Group, Inc. Engagement Letter

REFERENCE:

November 2, 2023

FROM: Campanile Group, Inc.
John Phan, Principal

TO: Daria O'Brien, Board Member
Lane Carlson, Executive Director
Redding School of the Arts
955 Inspiration Place
Redding, CA 96003

RE: Disclosure and Engagement Letter for Municipal Advisor

Dear Ms. O'Brien and Mr. Carlson,

This letter specifies the terms of the engagement between Campanile Group, Inc. ("Advisor") and Redding School of the Arts (the "School").

This engagement between the School and Advisor shall become effective as of the date of its acceptance as provided below.

Scope of Services: Municipal Advisory

- Make recommendations on all financial aspects of the financing including, but not limited to, the timing of the financing, call provisions, marketing, and other structuring aspects;
- Devise and recommend a financing plan for obligations to be issued, including maturity schedules and other terms and conditions;
- Monitor and control fees and expenses incurred in connection with completion of the financing;
- Review and verify reasonableness of financial covenants – e.g., debt service coverage test, days cash on hand, limitation on additional debt, short term borrowing allowance – and other non-financial covenants;
- Assist in non-legal closing details and post-closing duties;

- Assist in evaluating outside vendors providing: arbitrage rebate, investment advisory, verification reporting, and other ancillary services;
- Assist in other matters necessary or incidental to the issuance and administration of debt obligation;
- Review rent schedule, final cash flows, flow of funds memo for accuracy and market conventions;
- Help prepare and comment on the credit presentations for the marketing of the bonds;
- Help prepare and comment on written responses submitted by lenders during the marketing of the bonds;
- Provide oversight of underwriting services;
- Provide advice regarding market conditions, structuring and marketing, including recommend appropriate call features, premium vs. discount bonds, serial vs. term bonds, etc.;
- Provide interest rate pricing comparable transactions to School and underwriting team;
- Evaluate the sales process including analyzing bids, reviewing spreads, analyzing and market levels;
- Undertake pre-pricing analysis prior to sale;
- Confirm marketing to all viable investors;
- Advise and help in the negotiation with respect to pricing (interest rate setting) on the day of sale;
- Provide recommendations related to the over or under subscription during the sales order period;
- The services provided under this Agreement are limited to the services described above unless otherwise agreed to in writing by Advisor; and

- Unless otherwise provided above, Advisor is not responsible for preparing any preliminary or final official statement, or for certifying as to the accuracy or completeness of any preliminary or final official statement, other than with respect to any information about Advisor provided by Advisor for inclusion in such documents.

Scope of Services: Continuing Disclosure

- Provide comments and negotiate quarterly and annual disclosure requirements in continuing disclosure agreement;
- Provide continuing disclosure policy and procedures for adoption by School;
- Create calendar reminders detailing the disclosure requirements for the timely dissemination of the reports;
- Provide a summary document that provides all continuing disclosure requirements;
- Collect the necessary financial and statistical information necessary from staff, auditors or any other source as required;
- Coordinate and facilitate annual conference calls with investors;
 - Provide agenda and help highlight credit information investors seek;
 - Record conference call as required;
- Assemble the information in a format the investors are accustomed to seeing;
- Help calculate the financial covenants (i.e Debt Service Coverage and Days Cash on Hand);
- Transmit the reports to the Municipal Securities Rulemaking Board's (MSRB) nationally recognized data repository known as EMMA; and
- The services provided under this Agreement are limited to the services described above unless otherwise agreed to in writing by Advisor; and
- Under the terms of this Agreement, Advisor is not responsible for determining whether any Annual Report makes an untrue statement of material fact or omits to state any material information or to make any determination with respect to the "materiality" of a significant event or whether such event reflects "financial difficulties" of the School.

Independent Registered Municipal Advisor (“IRMA”)

If acting in the capacity of an Independent Registered Municipal Advisor (“IRMA”) with regard to the IRMA exemption of the SEC Rule, Advisor will review all third-party recommendations submitted to Advisor in writing by the School.

Term of Engagement Agreement

The commencement date of the agreement is the date of execution and the end date is two years after the effective date or at the successful close of the transaction, whichever occurs first. Any extensions must be mutually agreed upon by all parties in writing.

Compensation

Municipal Advisory

Compensation and expenses for activities to be performed for this engagement is contingent upon the successful sale and closing of the transaction and is payable from the proceeds of the loan or bond.

A one-time not-to-exceed advisory fee of \$24,000.

Continuing Disclosure Agent

Annual fee of \$5,500 related to continuing disclosure services for quarterly and annual disclosure reports and annual investor calls, payable at closing and on the anniversary of the closing.

Termination of Engagement Agreement

The School may terminate the whole or any part of this Agreement at any time and without cause by giving sixty (60) days written notice to Advisor of such termination and specifying the effective date thereof. Advisor shall discontinue all Services affected by such termination within sixty (60) days of receipt of such notice, unless otherwise instructed by the School in writing. Advisor may terminate this agreement by giving the School sixty (60) days written notice.

In the event Services are terminated by the School and financing is successfully issued, Advisor will be compensated pro-rata for services provided up to the termination date.

Conflicts of Interest and Other Matters Requiring Disclosures

Advisor agrees to provide to the School disclosures required by Municipal Securities Rulemaking Board (“MSRB”) Rule G-42 and Rule G-10 (the “Disclosures”), which are attached here as Appendix A. Advisor agrees to promptly amend or supplement the Disclosures to reflect any material changes or additions, which shall be delivered to School and incorporated by reference as of the date thereof into this Agreement to the same extent as if set forth herein.

Miscellaneous

During the term of the municipal advisory relationship, this Agreement will be promptly amended or supplemented to reflect any material changes in or additions to the terms or information within this Agreement and the revised writing will be promptly delivered to the School. If there are any questions regarding the above, please do not hesitate to contact Advisor.

If the foregoing terms meet with your approval, please indicate your acceptance by executing this letter and returning an electronic copy.

Sincerely,



John Phan
Principal
Campanile Group

Redding School of the Arts

Print Name: _____

Title: _____

By: _____
Authorized Representative

Date: _____

APPENDIX A

Conflicts of Interest and Other Disclosures

Advisor makes the following disclosures with respect to material conflicts of interest in connection with its Agreement with the School, together with explanations of how Advisor addresses or intends to manage or mitigate each conflict. To that end, with respect to all of the conflicts disclosed below, Advisor mitigates such conflicts through its adherence to its duty of loyalty and duty of care to the School. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

- Advisor represents that in connection with the issuance of municipal securities, Advisor may receive compensation from the School for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, Advisor hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding Advisor's ability to provide unbiased advice to enter into or complete such transaction. While contingent compensation is customary in the municipal securities market, it presents a conflict because it could create an incentive for Advisor to advise the School to complete a financing or to alter the structure of a financing in order to ensure compensation for Advisor.
- As of the date of the Agreement, there are no other material conflicts of interest that Advisor is aware of that might impair its ability to render unbiased and competent advice or to fulfill its statutory duties to the School.
- The fee paid to Advisor increases the cost of investment to the School. The increased cost occurs from compensating Advisor for municipal advisory services provided.
- Advisor does not act as principal in any of the transaction(s) related to this Agreement.
- Advisor does not have any affiliate that provides any advice, service, or product to or on behalf of the client that is directly or indirectly related to the municipal advisory activities to be performed by Advisor;
- Advisor has not made any payments directly or indirectly to obtain or retain the School's municipal advisory business;
- Advisor has not received any payments from third parties to enlist Advisor recommendation to the School of its services, any municipal securities transaction or any municipal finance product;
- Advisor has not engaged in any fee-splitting arrangements involving Advisor and any provider of investments or services to the School;
- Advisor does not have any other engagements or relationships that might impair Advisor's ability either to render unbiased and competent advice to or on behalf of the School or to fulfill its statutory duties to the School, as applicable; and

- Advisor does not have any legal or disciplinary event that is material to the School's evaluation of the municipal advisory or the integrity of its management or advisory personnel.

Legal Events and Disciplinary History

Advisor does not have any legal events and disciplinary history on its Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The School may electronically access Advisor's most recent Form MA and each most recent Form MA-I filed with the Commission by searching for "Campanile Group" at the following website: www.sec.gov/edgar/searchedgar/companysearch.html.

Within the Municipal Securities Rulemaking Board ("MSRB") website at www.msrb.org, the School may obtain the Municipal Advisory client brochure that is posted on the MSRB website. The brochure describes the protections that may be provided by the MSRB Rules along with how to file a complaint with financial regulatory authorities.

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC.