

COMMUNITY ACADEMY OF PHILADELPHIA

Minutes of a Meeting of the Board of Directors held September 22, 2008

A meeting of the Board of Directors (the "Board") of the Community Academy of Philadelphia, a Pennsylvania charter school, a Pennsylvania nonprofit corporation (the "Community Academy" or the "School") was held at the offices of the Community Academy on September 22, 2008. The following Board members were present at the meeting, constituting a quorum: Jack FitzSimmons, Board Chairman, Joseph Proietta, Secretary, Frank Viola, Treasurer, Nick Cinalli, Loretta Crespo, Marcus Delgado, Andres Jalon (via telephone conference), and Wendy Williams-Blackson. Thomas Baldino joined the meeting via telephone conference late. Also present at the meeting were Anna Duvivier, Chief Operating Officer, Elizabeth McCluskey, Chief Academic Officer, Adorable Wright, Assistant Chief Operating Officer, Traci Ray-Duren, Business Manager, Joyce Miller, CPA, and Yvonne McGinley DeAngelo of Larson Allen, and Neha Pandya of Duane Morris LLP (via telephone conference).

Mr. FitzSimmons served as Chairman of the meeting and, having met a quorum, called the meeting to order at 4:12 p.m.

As the first order of business, Mr. FitzSimmons called for a review of the minutes from the meeting held on April 14, 2008 and asked whether anyone had any comments, suggestions, or qualifications. Hearing none, upon a motion duly made by Mr. Fitzsimmons and seconded, the minutes for the meeting held April 14, 2008, as amended, were unanimously approved.

Second, the Board discussed the election of four members whose three-year terms had expired: Thomas Baldino, Nick Cinalli, Loretta Crespo, and Andres Jalon. The Board first considered the term of Thomas Baldino, who was not present at this time. A motion was made for the renewal of Mr. Baldino's three-year term as a Board Member. This motion was seconded and then unanimously approved by the Board.

Upon motion duly made, seconded and unanimously approved, it was:

RESOLVED, that Thomas Baldino, be and hereby is elected as director of the Board of the Community Academy of Philadelphia for a three-year term ending on September 5, 2011, or until his representative successor has been duly elected by the Board.

The Board then considered the term of Nick Cinalli. Mr. Cinalli explained that serious family health issues prevented him from being involved with the Board to the extent he had hoped, but he was happy to renew his membership with the Board. A motion was made for the renewal of Mr. Cinalli's three-year term as a Board Member. This motion was seconded and then unanimously approved by the Board.

Upon motion duly made, seconded and unanimously approved, it was:

RESOLVED, that Nick Cinalli, be and hereby is elected as director of the Board of the Community Academy of Philadelphia for a three-year term ending on September 5, 2011, or until his representative successor has been duly elected by the Board.

Subsequently, the Board considered the term of Loretta Crespo. Upon expressing her interest to remain on the Board, a motion was made for the renewal of Ms. Crespo's three-year term as a Board Member. This motion was seconded and then unanimously approved by the Board.

Upon motion duly made, seconded and unanimously approved, it was:

RESOLVED, that Loretta Crespo, be and hereby is elected as director of the Board of the Community Academy of Philadelphia for a three-year term ending on September 5, 2011, or until her representative successor has been duly elected by the Board.

Finally, the Board considered the term of Andres Jalon. Upon expressing his interest to remain on the Board, a motion was made for the renewal of Mr. Jalon's three-year term as a Board Member. This motion was seconded and then unanimously approved by the Board.

Upon motion duly made, seconded and unanimously approved, it was:

RESOLVED, that Andres Jalon, be and hereby is elected as director of the Board of the Community Academy of Philadelphia for a three-year term ending on September 5, 2011, or until his representative successor has been duly elected by the Board.

Third, the Board conducted an Election of Officers. The Board determined that in accordance with the Community Academy Bylaws, Joseph Proietta would retain his role as Secretary. The following positions were up for election: President, Vice President, and Treasurer. The Board first considered the position of Board President, currently held by Jack FitzSimmons. Mr. FitzSimmons was nominated for the position of President. This nomination was seconded and unanimously approved by the Board.

Upon motion duly made, seconded and unanimously approved, it was:

RESOLVED, that Jack FitzSimmons, be and hereby is elected as President of the Board of the Community Academy of Philadelphia.

The Board then considered the position of Vice President, currently held by Marcus Delgado. Mr. Delgado was nominated for the position of Vice President. This nomination was seconded and unanimously approved by the Board.

Upon motion duly made, seconded and unanimously approved, it was:

RESOLVED, that Marcus Delgado, be and hereby is elected as Vice President of the Board of the Community Academy of Philadelphia.

Finally, the Board considered the position of Treasurer, currently held by Frank Viola. Mr. Viola was nominated for the position of Treasurer. This nomination was seconded and unanimously approved by the Board.

Upon motion duly made, seconded and unanimously approved, it was:

RESOLVED, that Frank Viola, be and hereby is elected as Treasurer of the Board of the Community Academy of Philadelphia.

The Board concluded that because the composition of the Board had not changed, the swearing in of newly elected Board members was not necessary.

Fourth, the Board reviewed the contract of the Chief Executive Officer of the Community Academy, Joseph Proietta, a copy of which is **attached**. Mr. Viola, Mr. Proietta, and Mr. Jalon discussed the provisions for compensation and non-competition in Mr. Proietta's contract. Specifically, they discussed the language in Mr. Proietta's contract that stated that Mr. Proietta would not receive compensation from another charter school or a company that provides management services to another charter school. Mr. Viola, Mr. Proietta, and Mr. Jalon discussed the fact that this language in Mr. Proietta's contract reflected the provisions of a new Pennsylvania law regarding charter schools, which applies retroactively to July 1, 2008. Under the new charter school law, an administrator of a charter school is prohibited from receiving compensation from: (1) another charter school; or (2) a company that provides management services to another charter school. Mr. Viola, Mr. Proietta, and Mr. Jalon then discussed whether the law prevented an administrator from receiving compensation from a charter school outside of the Commonwealth of Pennsylvania. Mr. Proietta explained that Jane Dalton of Duane Morris LLP explained that the plain language of the law fails to specify whether its applicability extends to charter schools outside the Commonwealth of Pennsylvania. Mr. Jalon expressed his concern that if the scope of the statute extended beyond charter schools in the Commonwealth of Pennsylvania, it would seem to prevent a person from making a living. Mr. Viola, Mr. Proietta, and Mr. Jalon continued to discuss the restrictive nature of the statute, especially because One Bright Ray has been looking to expand outside of Pennsylvania.

The Board then discussed the provision for "cause" in the contract. The Board discussed that the contract included in its definition of "cause" the use of illegal substances or alcohol. There was concern among the Board that this definition of "cause" could be problematic because alcoholism is a disability. The Board discussed the fact that notwithstanding the enforceability of the provision for "cause" in the contract, the contract included a severability clause, namely the Enforceability Clause.

A motion was made to approve the contract for the Chief Executive Officer of the Community Academy, Joseph Proietta, with the exception of changes that may need to be made by attorneys to ensure compliance with the law. The Board unanimously approved Mr. Proietta's contract as Chief Executive Officer.

Upon motion duly made, seconded and unanimously approved, it was:

RESOLVED, that effective as of September 22, 2008, the contract of Chief Executive Officer of the Community Academy of Philadelphia, Joseph Proietta, is approved.

Fifth, the Board reviewed the Employee Summary Report. The Board began by discussing compensation. The Board discussed faculty members whose salaries exceeded \$100,000 per year. Mr. Viola stated that only one other faculty member, Christopher _____, earns over \$100,000 per year. Mr. Viola explained that Mr. _____ works in Information Technology and is paid \$102,000 per year by the Community Academy. Mr. Viola explained that Mr. _____ does his job very well and that it is difficult to find someone with Mr. _____'s skills and ability. Mr. Viola finally explained that \$102,000 was at or below the market rate for an individual in Mr. _____'s position.

Next, Mr. Viola, Mr. Proietta, and Mr. FitzSimmons discussed executive compensation. They discussed the role of a Compensation Committee, stating that such committee would look at comparables, set up a range for executive compensation, determine whether such compensation would fit within the budget, examine the market rate for compensation, and present these findings to the Board for consideration. Mr. Viola, Mr. Proietta, and Mr. FitzSimmons announced that Board members should consider choices for participation in the Compensation Committee. The Board determined that a meeting to discuss the Compensation Committee should be scheduled for April 2009.

Then, the Board discussed the need to redact the home addresses and home telephone numbers of the Chief Executive Officer, Mr. Proietta, and the Chief Operating Officer, Ms. Duvivier, from the previous Employee Summary Report.

Subsequently, Ms. Duvivier listed the employees who had separated and announced new hires. Ms. Duvivier first explained that Melissa Rivera was internally transferred and reassigned to a new position, but is still an employee of the Community Academy. The Board then discussed the fact that six of the teachers separated from the Community Academy to take positions with the Philadelphia School District. Ms. Duvivier stated that the Community Academy had obtained the salary scales for the Philadelphia School District. Ms. Duvivier explained that for teachers, the principal, vice principal, and other positions, salaries offered by the Community Academy are comparable to those offered by the Philadelphia School District. Ms. Duvivier explained that six years ago, salaries at the Community Academy were at 93% of those offered by the Philadelphia School District. This year, Ms. Duvivier explained that salaries at the Community Academy increased to 100% of those offered by the Philadelphia School District. Mr. Duvivier added that when employee benefits were taken into account, compensation for teachers at the Community Academy exceeded compensation offered by the School District of Philadelphia. Ms. Duvivier stated that the increase in compensation has been received favorably by teachers.

Thomas Baldino joined the meeting via telephone conference.

The Board ended its discussion of the Employee Summary report by noting that at its last meeting on April 14, 2008, the Board substantially approved the salary scale, so there was no need to revisit the subject at this time.

Sixth, Joyce Miller discussed the budget and reviewed new accounting safeguards. Ms. Miller began by noting that under the new budget system, reports could be customized very easily. Ms. Miller then discussed some of the changes that needed to be made. First, the budget had to be modified to reflect the fact that the School Store did not operate year-round, and that it would not open until September. Additionally, Ms. Miller explained that budget appropriations for certain departments needed to be modified. For example, the School has a large budget for the library, but has a small budget for information technology. Ms. Miller explained that the information technology department requires more funding. Because the library and information technology are grouped together, the School is allocating some library funds for information technology.

Ms. Miller suggested that the Community Academy should establish a finance committee that would meet monthly or bimonthly. Ms. Miller explained that finance and audit committees are essential for charter schools because they regularly review financial reports and minimize the risk of fraud by regularly reporting to the Board on the status of finances. Ms. Miller asked Board members to think about how to form a finance and audit committee, what structure it might take, and interest in joining such committee. The Board discussed Ms. Miller's suggestion for a finance committee for the Community Academy and agreed in concept. At this time, Mr. Delgado expressed his interest in becoming part of the finance committee.

Ms. Miller stated that in mid-October, department heads would receive budgets that would enable them to track how their departments have been spending funds.

Seventh, Loretta Crespo announced that the Community Academy's banking institution, Commerce Bank, had been acquired by TD Banknorth. The combined operations of Commerce Bank and TD Banknorth are known as TD Bank. Ms. Crespo explained that the Board needed more signatures to pass a resolution to acknowledge that the operating account for the Community Academy has been transferred to TD Bank.

Then, upon motion duly made by Mr. Viola, seconded and unanimously approved, it was:

RESOLVED, that the operating account of the Community Academy of Philadelphia is transferred to TD Bank.

Eighth, Elizabeth McClusky provided an academic update to the Board members. Ms. McClusky began by stating that details of the 2007-2008 restructuring plan were outlined in a mailing that had been sent over the summer and that is **attached** to these minutes. Ms. McClusky stated that a team of nine administrators and teachers met in July 2008 and that the Community Academy had received a \$50,000 school improvement grant. Ms. McClusky noted that she was currently working on this year's school improvement plan, which is due November 14, 2008.

Ms. McClusky then discussed in detail certain matters set forth in the 2007-2008 restructuring plan. Ms. McClusky stated three main concerns: graduation rate; academic performance rates; and participation. Ms. McClusky explained that while the Community Academy's graduate rate is 93% (higher than the 80% target rate), academic performance rates are below par.

Ms. Duvivier expressed her concern with the tracking of student information. Ms. Duvivier stated that the Penn System designed to track students by individual identifiable numbers was previously thought to be very secure, but its security is now questionable. Ms. Duvivier added that PA Secure ID allows students transferring from one school in the Commonwealth of Pennsylvania to another to be tracked. However, the PA Secure ID systems does not track information for students transferring out of state.

The Board members and officers engaged in a discussion about whether the underlying problem with obtaining and retaining student information is because of the law. For example, the Board and officers discussed the failure of the No Student Left Behind legislation to define poverty. Unlike the Philadelphia School District, the Community Academy does not have access to the Department of Welfare's records. Thus, it is not able to identify which of its students are economically disadvantaged unless the students identify themselves. The Board members and officers acknowledged that some students who were economically disadvantaged would not indicate that on free lunch forms. Additionally, Board members and officers expressed concerns that accuracy issues were not being addressed. For example, the Board members and officers discussed the identification of a student's race. Because the School does not always have this information, it is sometimes based on a teacher's perception of a student's race.

Board members and officers then discussed the anecdotal information that could be used by the Board to understand progress of students at the School. Board members and Officers considered the Pennsylvania Value Added Form, which tracks students from year-to-year. Mr. Baldino expressed his view that performance should be determined by information that can be compared and by measures that people can understand-- such as graduation rates and the percentage of students that go on to college. Mr. Baldino explained that it is this information that shows that students are on the road to success. Mr. Viola added that the School should measure the progress of individual students from year-to-year. Board members and officers discussed the difficulty in collecting individualized data because the School is so overwhelmed by collecting the data required by law.

Board members and officers continued to discuss problems with data required by law to be collected to measure academic performance. Board members and officers agreed that students from the Community Academy do not have the best performance scores, but many go on to college. Board members and officers further stated that legally mandated academic data can lead to conflicting conclusions. For example, students at the School scored poorly in Reading, but much better in Writing. Some Board members and officers expressed their frustration with standardized testing, explaining that it only measures test-taking, not students' knowledge.

Board members and officers discussed the fact that the School's Valedictorian in a previous year had scored only "Basic" and "Below Basic" in standardized testing, but graduated from Indiana University.

Board members and officers then considered suggestions for improvement of the School's academic standards. Board members and officers discussed the possibility of giving teachers support on how to structure classes. They also discussed the need to design classes to cover the material that is included in standardized tests and the need to teach test-taking. Board members

and officers discussed the importance of a professional development program that would provide training for no more than 10 teachers at one time and allow them to bring ideas back to the classroom.

Board members and officers discussed the Pennsylvania schools that were meeting performance standards. Board members and officers agreed that, with the exception of magnet schools, there were no schools in Philadelphia that met AYP performance standards. Board members and officers also discussed the practice at some other schools to drill students on test-taking materials for weeks before standard examinations and to encourage poor test-takers not to attend school on the day of a standardized examination. However, Board members and officers agreed that the mission of the Community Academy is to support at-risk children, not to cherry-pick the best and brightest students. Board members and officers discussed the School's focus on providing emotional support, which the Board members and officers agreed impact students' academic performance. Mr. Cinalli noted that academic success rates do not reflect the emotional support and stability provided by a school.

Finally, Ms. McClusky stated that some of the legal requirements imposed upon the school were not written to address charter schools. Thus, the applicability of some requirements are not clear. Ms. McClusky explained that the School had to continue to do what it needed to do to prepare students and the community for success.

Mr. Proietta extended an offer of support and asked what assistance was needed to achieve academic goals. Ms. McClusky explained the goal of creating a supportive alumni network for the School that two students were working diligently to put together. Ms. McClusky stated that on December 13, 2008, the Community Academy would be playing Morrisville in an important basketball game. Ms. McClusky expressed the School's goal to increase alumni attendance at the December 13, 2008 game. Ms. McClusky also stated that the School could reach out to alumnae on Parents Night, since a large number of parents are themselves alumnae of the Community Academy. Ms. McClusky expressed her hope that by Spring 2009, the Community Academy of Philadelphia would have an active alumni association.

The next meeting of the Board was then set for November 3, 2008 at 4:00 p.m. at the School. Then, upon motion duly made, seconded, and approved, the meeting was adjourned at 5:43 p.m.

Respectfully submitted,

Neha Pandya
Secretary of the Meeting