

AppleTree Early Learning Public Charter School Board of Trustees Meeting Minutes
Tuesday, January 26, 2010, 6:00 pm
Riverside Campus – 680 I Street SW, Washington, DC 20024

Trustees present: Jennifer Cohen, Liz Daley, Matt Downs, Bridget Bradley Gray, Elizabeth Keys, Celia Martin, Jack McCarthy, ShaRon Meshack, Skylé Pearson, Paula Young Shelton, John Wade.

Management present: Ross Harold, Mary Anne Lesiak, Russ Williams, Anne Zummo.

Call to order. After establishing that a quorum was present, Mr. McCarthy called the meeting to order at 6:15 pm.

Presentation by Taishya Adams, DCPCSB. Ms. Adams is a Program Manager on the staff of DCPCSB. She spoke about the Performance Management Framework (PMF), the changes being made and considered to make sure the PMF fits both the DCPCSB's and schools' needs and to integrate the PMF with the Program Development Review (PDR). One key point Ms. Adams emphasized is that each school's mission statement should be operational and quantifiable. In response to a question about how this year could be a prototype year for evaluating a new goal and mission statement, when AELPCS has not worked with anyone at DCPCSB to develop such a revised plan, Ms. Adams suggested we ask that question of the DCPCSB trustees. In response to the question about the process used to remove progress as a means of evaluating a school's excellence as opposed to measuring absolute results, Ms. Adams deferred and suggested that we wait for Marisa McCoy's return from maternity leave to work on defining a measure of excellence for our program. Ms. Adams suggested that multiple systems might exist to evaluate the excellence of such schools. In response to a question about what our board might do better, Ms. Adams commended the board for its participation in the recent campus reviews and commended the Secretary for thorough transcription of the board meeting minutes for many years.

Consent calendar: approval of November minutes and Form 990. Mr. Downs moved to approve the items on the consent calendar and Ms. Shelton seconded the motion. The motion passed unanimously. In accordance with the school's board calendar and IRS deadline for submitting Form 990, the Finance Committee and then the full board received the Form 990 in October, before it was filed. However, given the addition of four new trustees to the board in October, formal acceptance of the Form 990 was postponed to give the new trustees sufficient time to review and pose questions. The 2009 Form 990 follows these minutes.

Principals' reports. Ms. Zummo reported that the recruitment and enrollment process is going well. The Columbia Heights campus has received over 80 applications for the three-year old class and eleven for the four-year old class. She and her team executed a mid-year parent survey and have received constructive feedback; they are working to address those points. Mr. Harold reported that the southwest campuses have rolled out Exceed RTI, and teachers are seeing the benefits of the new system already. Both principals' reports follow these minutes.

Executive Director's report. Mr. Williams reported that he continues to work with the team of attorneys and financial advisors to navigate the regulations that apply to the federal money being used to develop the Douglas Knoll campus. Mr. Williams noted that

the new Director of Technology has begun his tenure, and has visited all three sites to assess technological needs and areas for improvement. The new Director of Human Resources will start during the first week of February. The Executive Director's report follows these minutes.

Finance Committee's report. Mr. Williams and Ms. Gray noted that the school's cash position remains stable, with revenues and expenses in most categories close to or better than budget. The Finance Committee recognizes that losing Title I funding is an issue for the school, and they continue to work with the appropriate agencies to determine whether there is a way to continue to receive the funds. This eligibility also currently defines eligibility for stimulus funding. The latest monthly financial statements follow these minutes.

Sarbanes-Oxley compliance review. The trustees reviewed their internal fiscal policies and procedures, leases for real property that the school holds with AppleTree Institute (ATI), and any other contracts, which in this case included insurance policies. Of note, the insurance carried by the school meets or exceeds DCPCSB recommendations. There are two areas for improvement identified in the DCPCSB's fiscal management criteria (from DCPCSB's Fiscal Policy Handbook), both of which pertain to documentation of internal controls related to procurement and expenses. Specifically, the two items listed as to do are 1) a PCS must establish internal control policies approved by the Board of Trustees; and 2) a PCS must ensure that expenses are properly approved according to established policies. Management and the Board believe that the appropriate policies and controls are in place, but to be in full compliance the policies will be put in writing and submitted to the Board for approval.

Strategic discussion: financing expansion to 138 12th Street and 2017 Savannah Terrace. Mr. McCarthy noted that the limited liability corporation (LLC) structure for the Columbia Heights campus was created to limit liability to the school and AppleTree Institute (ATI). Regardless of assurance by counsel, however, this structure did not ensure tax exemption, as it would have in the rest of the United States. Efforts will be made to correct the tax status of the Columbia Heights campus. However, a different structure is needed for future projects. Also, the state and federal funding for both the equity and debt components is available to the school rather than the Institute. Therefore, ATI is advised to create a joint structure. If this financial structure is determined by management and the Finance Committees of the two boards to be the best option, it will be brought to the full AELPCS board for discussion and approval. Management and the Finance Committees will have better insight on the optimum structure after discussions with state agencies, the bank, and counsel.

Adjournment. The meeting adjourned at 8:20 pm.

Elizabeth Keys
Secretary

The next meeting of the AELPCS Board of Trustees is Tuesday, February 23, 2010.