

**COMMUNITY ACADEMY OF PHILADELPHIA**  
**Minutes of a Meeting**  
**Of the Board of Directors**  
**Held November 16, 2009**

A meeting of the Board of Directors (the “Board”) of the Community Academy of Philadelphia, a Pennsylvania charter school and a Pennsylvania nonprofit corporation (“Community Academy” or the “School”), was held at the offices of the School on November 16, 2009. The following Board members were present at the meeting, constituting a quorum: Joseph Proietta, M.Ed., CEO and Founder, Wendy Williams, MSW, Thomas Baldino, Ph.D. (via telephone conference), Nick A. Cinalli, PE, and Frank Viola, Jr., MA, MPA. Also present at the meeting were Aykema Mabery, Business Manager, [Elizabeth McCluskey, Chief Academic Officer,] Mike Whisman of Charter School Choice, Sueca Sanders, Executive Assistant to the CEO and COO, and Monique Z. Valbuena, Esq., of Duane Morris LLP. Dr. Jack M. FitzSimmons and Loretta Crespo, members of the Board, joined after the meeting had already started.

Mr. Viola initially served as Chairman of the meeting and, having met a quorum, called the meeting to order at approximately 4:05 p.m.

As the first order of business, Mr. Viola called for a review of the minutes from the meeting held on September 21, 2009 and asked whether anyone had any comments. The Board reviewed the minutes, and then, upon a motion that was seconded, the minutes for the meeting held September 21, 2009 were unanimously approved. The Board then ordered that the minutes be placed in the School’s minute book.

Ms. Crespo joined the meeting at approximately 4:16 p.m.

Second, Mr. Whisman reviewed the attached Summary and Management Report. At this time, Mr. Proietta submitted into the record the attached Unanimous Written Consent of the Board of Directors dated October 1, 2009, relating to certain debt financing. The Board then reviewed the Balance Sheet and Income Statement as of October 31, 2009.

With respect to the Balance Sheet, Mr. Whisman noted that, as of October 31, 2009, the School had not received funds due from the Department of Education for the months of August and September because of the state budget crisis. Mr. Whisman then noted that the School received these funds in the beginning of November. Mr. Viola asked why One Bright Ray (“OBR”) is listed as a negative receivable. Mr. Whisman explained that certain rent payments remain due to OBR, which are categorized as a negative receivable on the form of Balance Sheet used by Charter School Choice. Mr. Whisman then noted that accounts payables have increased from \$113,092 to \$682,630 due to the state budget crisis, which amounts were offset in large part by the decrease in Accrued Salaries and Benefits from \$694,538 to \$216,696.

Dr. FitzSimmons joined the meeting at approximately 4:22 p.m. and served as Chairman for the remainder of the meeting.

With respect to the Income Statement, Mr. Whisman first explained that the School's budget is approved in July and is seasonal. Accordingly, the budgeted line item amounts fluctuate from month to month. Mr. Whisman then noted that the Total Revenue for July through October is approximately \$148,771 less than the budgeted revenue for that same period. Mr. Whisman explained that this variance is almost wholly attributable to the timing of receipt of Stimulus Fund revenue. Mr. Whisman then noted that the budget was prepared on the assumption that Stimulus Funds would be paid when invoiced; whereas, in practice the Government makes Stimulus Fund payments to the School equal to \$52,000 each month. Accordingly, this variance should decrease every month until the School receives all of the Stimulus Fund revenue due to it. Mr. Whisman then noted that the School budgeted \$527,900 in revenue from the State Fiscal Stabilization Grant, all of which money was used by the State to offset real estate taxes. Mr. Whisman added that Community Academy had not expended the Stabilization Grant so there will be a "wash" on the balance sheet. Finally, Mr. Whisman noted that Total Expenses are \$152,335 less than budgeted, which Mr. Proietta attributed to the diligence of the School's business office. Mr. Proietta also noted that there are no large accruals on the Income Statement other than salaries, which should be paid to date by the end of the next fiscal quarter.

Third, Aykema Mabery reported on the attached New Business memorandum. Ms. Mabery noted that as of November 2, 2009, the School had received all payments due from the School District of Pennsylvania ("SDOP"), including past due amounts for September and October, 2009. Ms. Mabery further noted that all of Community Academy's vendors were receiving payments in a prioritized order. Mr. Proietta then reported that the School eliminated its short-term and long-term disability insurance policies offered through Unum Provident for employees in their first through fourth years of employment with the School, which is consistent with the policy of the Pennsylvania public school system to offer disability insurance to employees beginning in their fifth year of employment. Mr. Proietta further noted that the School allows employees to purchase disability insurance through Aflac. Mr. Proietta then explained that Unum Provident required the School to cancel its life insurance policy in connection with the cancellation of its disability insurance and that the School is currently obtaining quotes to provide life insurance to its employees. Mr. Proietta also noted that, as of October 21, 2009, the School will no longer pay for cell phone and wireless cards for its employees, which change will save the School approximately \$6,500 each month. Mr. Proietta noted that the School will provide a taxable reimbursement for cell phone usage for certain key employees. The Board agreed to discuss personnel changes at the next Board meeting.

At this point, Ms. Sanders left the meeting.

Mr. Proietta then reported that he had met with an insurance broker to discuss the possibility of offering health insurance options to the School's employees through BlueCross BlueShield. Mr. Proietta noted that open enrollment for health insurance occurs in February and that, if the School chooses BlueCross BlueShield as its provider, the School could offer up to three health insurance options, which would likely include: (i) an option that is free to the employees of the School and that provides similar benefits to those the School currently provides; (ii) an upgraded Keystone option, which would

include a payment by the employee; and (iii) a personal choice option. Mr. Viola suggested the possibility of offering a cash allowance to those employees who do not enroll in one of the health insurance plans, which the Board agreed to research further.

Fourth, Mr. Proietta reported on the attached Academic Update of the Chief Academic Officer and the attached Pennsylvania System of School Assessment (the “PSSA”) Response. Dr. FitzSimmons asked whether Pennsylvania is moving away from measuring schools by the PSSA, and Mr. Proietta agreed to look into that issue.

Mr. Proietta next discussed several of the School’s recent success stories. Mr. Proietta noted that the School has an 89% graduation rate, which is significantly higher than the graduation rates for the cities of Detroit, MI, which is approximately 25%, Philadelphia, PA, which is less than 50%, and Baltimore, MD, which is approximately 30%. Mr. Proietta then discussed the recent report card conferences, emphasizing the high turnout of parents at all class levels. Mr. Proietta then noted that Senator Christine M. Tartaglione held a “Senior Expo” at Community Academy the week prior to the Board meeting, and that members of the senior class and student body of Community Academy had been chosen to act as hosts at the event. Mr. Proietta also noted that the media filmed an outing by one of the School’s special education student to a Jonas Brothers concert, and that part of this outing had been filmed at the School. Mr. Cinalli asked whether there was a way to publicize the School’s academic successes and strong community support in the media or on the School’s website. Mr. Proietta emphasized that other than the situation with the U.S. Department of Education, the publicity that the School has received since its inception has been overwhelmingly positive. Mr. Baldino offered to contact student organizations that provide marketing and public relations services for non-profit organizations at Wilkes University on behalf of Community Academy.

Fifth, Mr. Proietta announced that the Commonwealth of Pennsylvania budget impasse had ended.

Sixth, the Board unanimously approved the following resolution:

RESOLVED, that the Board approves the submission to the Pennsylvania Department of Education of the 2009-2010 Application for Approval of Charter School Lease Reimbursement.

Seventh, the Board discussed nominations for the ninth board seat. Mr. Proietta reported that he had contacted City Councilwoman and former Community Academy board member Maria D. Quiñones-Sánchez for any recommendations. Mr. Proietta requested that the Board members submit any nominees prior to the next Board meeting and suggested that the Board seek nominees with business or legal experience. Mr. Viola added that a board member with a background in media could benefit the School.

Lastly, Mr. Proietta discussed open items from the previous Board meeting. Mr. Proietta reported that the School will be eliminating one Deputy CEO position. Mr. Proietta also reported that Chris Smith was appointed Chief Information Officer, and that

his appointment completed the reorganization of the Central Administration/Cabinet of the School. Mr. Proietta then discussed the **attached** Salary Scale for Specialized Professional Educators, noting that the salaries for the principals, vice principals and deputy CEOs will be the 2008-2009 School Year salaries plus 2%, and not the higher salaries approved by the Board in June. Mr. Proietta further noted that this change in salaries is the only change from the pay scale reviewed at the September 21, 2009 Board meeting. Mr. Proietta reported that the School's Principals and Deputy CEOs agreed to postpone their 2% pay raises for the 2009-2010 school year until the budget crisis was resolved. Mr. Proietta then reported that all but one of the School's Principals and Vice Principals are certified.

Dr. FitzSimmons then noted that the next meeting of the Board is scheduled for January 11, 2010 at 4:00 p.m. at the School.

Dr. FitzSimmons then announced that an Executive Session of the Board would be held immediately subsequent to the open meeting to discuss the situation with the Department of Education.

Upon motion duly made, seconded and approved, the open meeting was adjourned at approximately 5:15 p.m.



**Community Academy of Philadelphia**  
a Pennsylvania Charter School

**Chief Academic Officer**  
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## **Academic Update** **November 16, 2009**

### **Curriculum and Professional Development**

This year we are continuing the project on Team-Designed and Standards-Aligned Curriculum Development initiated last year. Team meetings and finalization of curriculum checklists, as well as training on the new SMARTboards, were part of our recent Fall Professional Development Day.

We have launched a revised professional development series that will continue to provide teachers with the necessary 180 Act 48 credits over a 5 year period. Four workshop series are featured: Best Practices, Interventions and Support, Standards Aligned System, and Health and Emotional Well-Being.

### **Standardized Testing**

The PSSA 12<sup>th</sup> Grade optional retest is completed and returned. The baseline assessment of the 4Sight Benchmark testing is also complete. There will be two more rounds of benchmark testing prior to the April PSSA.

Teachers will receive professional development on how to use 4Sight results, PSSA data, and PVAAS data in their assessment of student needs.

### **School Improvement**

We have a 15 member School Improvement Team comprised of regular and special education teachers, administrators, reading and math specialists and school psychologists. This team will give input on the mandatory School Improvement Plan due to PDE on Dec. 23; the School District of Philadelphia requires submission prior to that but has not yet set a date.

A small team will be attending a December PDE conference on "Standards Aligned System: Teaching and Learning in the 21<sup>st</sup> Century" (mandatory to receive School Improvement funding).



*From the Office of the DCEO Operations*

### **Lower School Update:**

Newsletter Handed out

79% of our Lower School parents attended report card conferences.

LS would like to thank Ms. Williams for the Halloween Treats.

Lower School students loved the Roots of Puerto Rican Music presentation.

A Firefighter parent volunteer came to talk to the students regarding fire safety during Fire Safety Month.

The students of the Lower and Middle schools are donating parts of Thanksgiving meals to be given to needy families. The turkey donations are being provided by Ms. Harrison and the faculty members.

### **Middle School Update:**

Students volunteered, took pictures, and made posters for the SPCA for advertisements for "Second Chance Dogs Program."

77% of our Middle School parents attended report card conferences.

### **Upper School Update:**

59% of our Upper School parents attended report card conferences.

The Upper School Faculty played the students in a Student vs. Faculty Volleyball game.

The Upper School students are donating canned foods to Philabundance for the holiday season.



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**BUSINESS DEPARTMENT**

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November 16, 2009

To: Board Members

From: Aykema Mabery, Business Manager

RE: New Business

- SDOP payment has resumed to 100% effective November 2<sup>nd</sup>, 2009
- The balance (30%) of the SDOP payment for Sept. and Oct. has been received
- Payments are going to vendors in a prioritized order
- Teachers increases were effective November 1, 2009
- Teachers received a second check November 13, 2009 for their increase that was deferred in Sept and Oct.
- All employees are at full time hours effective November 2, 2009
- As of November 11, 2009 we are up to date with PSERS employee and employer contributions
- Rent payments have been brought current
- Cell phones and wireless were terminated October 21, 2009 which will save approximately \$6500 monthly
- Unum Provident Policy was cancelled October 2009(life insurance, short term and long term disability) which saves approximately \$6200 monthly
- CAP intends to offer life insurance to all employees are at a later date

**November 16, 2009**

Members of the Board of Trustees  
Community Academy of Philadelphia Charter School

This Summary and Management Report presents information which we believe is important to you as members of the school board. We encourage you to review the sections of this report and we would be pleased to furnish additional information with respect to these suggestions.

**Budget to Actual for the four months ending October 31, 2009** – Total revenues on a net basis were approximately \$148,771 (3.1%) less than the budgeted amount while total expenditures were approximately \$152,335 (3.3%) less than had been budgeted. We generally like to recommend that budget variances in a charter school environment (which is more volatile than in a traditional school environment but on a much smaller scale) be limited to 1% to 4% on either side of zero and your School's four month variances fall well within that acceptable range.

**Revenues:** The primary variances in revenue are a result of the stimulus funding. Due to the budget impasse, funding for these programs was delayed resulting in the delayed recognition of revenues.

**Expenditures:** The significant variances in expenditures are those that were budgeted for using the aforementioned stimulus funds.

CSC will continue to work the business office at the school to ensure that the expenditure is properly classified.

**BUDGET UPDATE:** The budget approved in Harrisburg did **NOT** include the State Fiscal Stabilization Grant funds for charter schools. CSC recommends reviewing and updating the approved budget to remove these funds and corresponding expenditures.





Other Key Topics

**Related Party**

The School is associated with the International Education and Community Initiatives (IECI). Certain employees of the school serve on the board of IECI.

In addition, the school grants a security interest in all of its assets and revenues to IECI that has been assigned to IECI's bondholders. There are financial covenants that the school must maintain related to debt service coverage, enrollment and cash on hand, however, failure to maintain these covenants are not deemed defaults but require a management consultant's report.

The debt was re-financed in November 2009.



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## **PSSA Response**

Community Academy of Philadelphia, by charter, serves at-risk students. Therefore by definition, the school is at risk of sub-par standardized testing performance (statistically typical of many in our target population). Our 30-year history proves the benefits far outweigh these risks.

As an inner-city public K-12 school, Community Academy is a rarity. As measured by the 2009 PSSA, we met 18 of out 25 subgroup targets (73%) across the 7 NCLB mandated grade levels. We have not succumbed to pressure to teach to the test. We have remained faithful to our mission to serve at-risk children. Still, last spring, our 11<sup>th</sup> grade PSSA scores in both math and reading increased approximately 9%; a feat that is rare for any local public high school. Our middle school has also seen growth, for example 8<sup>th</sup> grade math scores increased by 17% and 7<sup>th</sup> grade reading by 13%. Our lower school saw a 24% increase in 3<sup>rd</sup> grade math score in the first year of implementation of our new math program. We are constantly working on ways to improve our academic program, not our scores on one test.

We are proud of our students and the growth they achieve in the time they are with us. Our high graduation rate (89.8%) is a result of the daily investment we make to support and instill in our students how to be productive citizens after graduation. Our teachers are dedicated; our school is clean and safe; our students are learning despite, what are for many, extremely difficult circumstances. True: our AYP Status reflects no growth, no adequate progress. What we see everyday and what we celebrate each year at graduation is more than adequate; it is true, life-changing progress.

Elizabeth McCluskey, MS  
Chief Academic officer

November 16, 2009



## **Salary Scale for Specialized Professional Educators and School-Based Administrators 2009-2010\*\*\*\***

**Effective July 1, 2009**

### **DEPUTY CHIEF EXECUTIVE OFFICERS (DCEOs)/CHIEF ACADEMIC OFFICER (CAO)/PRINCIPALS<sup>†</sup>**

(Per meeting of the Board Executive Committee 6/09 and placed in the minutes of the Board Meeting of September 21, 2009, the Principals, Vice Principals, and Deputy CEOs agreed to accept a 2% COLA over the FY09 salary)

	<b>MS/MEd</b>	<b>EDD/PhD<sup>^</sup></b>
<b>DCEOs, CAO and Principals PA certified</b>	<b>\$ 94,860</b>	<b>+2,200</b>
<b>Principal certified second year</b>	<b>95,000</b>	<b>+1,000</b>
<b>Principal certified first year</b>	<b>85,000</b>	<b>+1,000</b>
<b>Principals Not Certified*<sup>^</sup></b>	<b>78,000*</b>	<b>+1,100</b>

### **VICE PRINCIPALS/DEAN OF STUDENTS/ASSISTANT CHIEF ACADEMIC OFFICER (ACAO)<sup>†</sup>:**

	MA/MS/MED		EDD PhD^
VPs Cert./ACAO	\$76,500		+1,100
VPs Not Cert.^*	70,000		+1,100
	BA/BS	MA/MS/MED^	EDD/PhD^
Dean of Students (Upper School Only)***	76,500	+1,100	+1,100

### **EMOTIONAL SUPPORT TEAM SUPERVISOR (EST SUPERVISOR)<sup>†\*\*</sup>**

	<b>MA/MS/MEd</b>	<b>MS+30/CAGS<sup>^</sup></b>	<b>Licensed<sup>^</sup></b>	<b>EDD/PhD<sup>^</sup></b>
<b>EST Supervisor</b>	<b>\$77,000</b>	<b>+2,000</b>	<b>+2,000</b>	<b>+2,000</b>

### **CERTIFIED SCHOOL PSYCHOLOGIST:**

	<b>MS/Med</b>	<b>MS+30/CAGS<sup>^</sup></b>	<b>EDD/PhD<sup>^</sup></b>
<b>Step 1</b>	<b>\$72,000</b>	<b>2,000</b>	<b>3,000</b>
<b>Step 2</b>	<b>76,000</b>	<b>3,000</b>	<b>4,000</b>
<b>Step 3</b>	<b>80,000</b>	<b>4,000</b>	<b>5,000</b>

**Note: Certified school psychologist is a 12-month position. Therefore, the vacation/personal time adjustments are the same as special education page 1 and in footnote \*\*.**

<sup>^</sup> Certification raise is given effective on date certification document is received by the COO. Master's or doctorate raise is given upon receipt of final transcript by the COO.

<sup>†</sup> DCEOs, CAO, Principals, Vice Principals, and EST Supervisor are 12-month executive or senior administrative employees. For further information see *Employee Manual* section CAP 101.

- \* A principal must achieve certification or be placed in the 25% Charter School Law exemption and will NOT achieve HQT status by PDE/NCLB regulation; therefore, any principal not attaining certification will be frozen at the 2008-09 salary of \$78,000 per annum, and any vice principal will be frozen at \$70,000.
- \*\* 12-month work-year pay scale, one (1) month vacation in summer (defined as: four (4) weeks including Fridays) and five (5) additional personal days usable from Sept. 1 to June 30. See "Personnel Policy Handbook" CAP-101 (Subsection 103-Professional Staff of FY 2010 *Employee Manual*) for baseline personal days and sick days. This policy is effective July 1, 2008 for anyone on active work status May 31, 2008 or later.
- \*\*\*Non-certificated position, performs tasks as supervised by principal.
- \*\*\*\* The Chief Executive Officer (CEO) and Chief Operating Officer (COO) are contracted directly with the Board of School Directors and have multi-year contracts that are approved by and included at their execution in the minutes of the Board of School Directors.