



AppleTree Early Learning Public Charter School (AELPCS)
Board of Directors Meeting
Minutes
Held via Videoconference
May 25, 2021

Call to Order

Board Chair Jack McCarthy called the meeting to order at 5:02 PM. Present via videoconference were board members Matt Downs, Sara Glenn, Bridget Bradley Gray, Celia Martin, Jack McCarthy, Jacek Pruski and Paula Young Shelton, constituting a quorum. Thomas Keane, General Counsel, acted as Secretary.

Approval of the February 23, 2021, Minutes

M. McCarthy requested approval of the Minutes from the Board's meeting of February 23, 2021. Upon a motion duly made and seconded, the Board voted on the following resolution:

Resolved, that the Minutes from the Board meeting of February 23, 2021, are hereby approved.

Voting in the affirmative were directors Matt Downs, Sara Glenn, Bridget Bradley Gray, Celia Martin, Jack McCarthy, Jacek Pruski and Paula Young Shelton. There were no votes opposed. The motion passed unanimously, and the Minutes were approved.

Director Karen Davenport joined the meeting.

Schools Report

Executive Director Jamie Miles delivered the Schools Report. She addressed two main topics relating to AELPCS's six schools (Columbia Heights, Douglas Knoll, Lincoln Park, Oklahoma Ave, Parklands at THEARC and Southwest).

Enrollment: Progress is being made on enrollment but there is still a long way to go to hit the budgeted enrollment of 515. At this point, 290 students are fully enrolled. The Douglas Knoll and Oklahoma Ave campuses are furthest behind in their enrollment goals. The pandemic has clearly had an impact. AELPCS has increased its internal capacity, with a new operations coordinator (who replaced a former employee) and a new enrollment coordinator. It has also brought in outside consultants to help and stepped up training and support to school-based staff.

Re-opening: Classrooms opened in April at Oklahoma Ave and Douglas Knoll. Students seemed excited



to return. In July, AppleTree plans to offer Summer Bridge (summer school), which will provide various enrichment activities. Beginning with the new school year in August, AppleTree plans to be open to all families for in person classes five days a week. Right now, we are planning to also offer a virtual option if there is a demand.

Discussion ensued.

Finance Committee Report

Financial update: Finance Committee Chair Bridget Bradley Gray reported that the Finance Committee met in April and May. AELPCS's original budget showed a sharply negative bottom line, but over the year it improved, with a relatively minor projected loss of \$35k. Chief Operating Officer Rita Chapin observed that, thanks to the improvement, the organization ended up meeting its loan covenant requirements.

Refinancing of Columbia Heights debt: Ms. Chapin discussed a proposed refinancing of the \$1.9 million note currently owed by AELPCS to AppleTree Institute for Education Innovation. The debt was incurred as part of the organization's purchase of the Columbia Heights facility. AELPCS has been working with the Office of State Superintendent of Education on a refinancing that would reduce and pay off that debt and put in place new debt of an equal amount. The new debt would have an interest rate of 1.0% (versus 5.0% for the old debt), would be interest only for two years, would then amortize on a 25-year schedule with a balloon payment due in year 5. The fee for the loan would be 1.0% of the principal amount. The refinancing would significantly improve AELPCS's cash flow. After discussion and upon a motion duly made and seconded, the Board voted on the following resolution:

Resolved, the Board of AELPCS hereby approves management entering into a loan from the Office of State Superintendent of Education ("OSSE") for approximately \$1.9 million substantially in accord with the terms of the draft commitment letter issued by OSSE dated April 29, 2021. The proceeds of such loan are to be used to refinance the existing loan on AppleTree's Columbia Heights property located at 2750 14th Street NW, Washington, DC 20009.

Voting in the affirmative were directors Karen Davenport, Matt Downs, Sara Glenn, Bridget Bradley Gray, Celia Martin, Jack McCarthy, Jacek Pruski and Paula Young Shelton. There were no votes opposed. The motion passed unanimously, and the resolution was approved.

Director Skylé Pearson joined the meeting.

FY2021 budget: Ms. Gray reviewed the proposed FY2022 budget, walking through assumptions underlying the budget. She noted that the budget assumed 515 students enrolled, a key assumption that might require revision at some future point. Under the proposed budget, operating income would be positive \$311k and net income would be a loss of \$253k. After discussion and upon a motion duly



made and seconded, the Board voted on the following resolution:

Resolved, the proposed budget for FY2022 is hereby adopted.

Voting in the affirmative were directors Karen Davenport, Matt Downs, Sara Glenn, Bridget Bradley Gray, Celia Martin, Jack McCarthy, Skylé Pearson, Jacek Pruski and Paula Young Shelton. There were no votes opposed. The motion passed unanimously, and the resolution was approved.

Contract notifications and approvals: Ms. Gray reviewed contract notifications and approvals:

- Post-execution notifications (zero to under \$10,000): Brianna Bowen for up to \$9,500 for enrollment marketing support from May 2021 to October 2022.
- Pre-execution notifications to Finance Committee (\$10,000 to less than \$25,000): None.
- Pre-execution approvals by the Board (\$25,000 and more):
 - EdOps for \$109,020 for School Year 2021-2022 Budgeting, Accounting and Financial Reporting. Ms. Bradley Gray reported that the Finance Committee was pleased with EdOps work. The new contract reflected a 5.0% increase over the current contract, but also includes more work than before. After discussion and upon a motion duly made and seconded, the Board voted on the following resolution:

Resolved, the contract with EdOps for \$109,020 for School Year 2021-2022 Budgeting, Accounting and Financial Reporting is hereby approved.

Voting in the affirmative were directors Karen Davenport, Matt Downs, Sara Glenn, Bridget Bradley Gray, Celia Martin, Jack McCarthy, Skylé Pearson, Jacek Pruski and Paula Young Shelton. There were no votes opposed. The motion passed unanimously, and the resolution was approved.

- Kendall, Prebola and Jones, LLC for \$24,000 for Financial Audit; \$3,000 for the Single Audit; and \$2,900 for the Form 990 for FY22. Ms. Gray noted that management had issued an RFP for auditors and, after reviewing various proposals, believed it made sense to stay with KPJ. The firm has a good grasp of our AELPCS's operations, is detail oriented and has a good working relationship with management. After discussion and upon a motion duly made and seconded, the Board voted on the following resolution:

Resolved, the contract with Kendall, Prebola and Jones, LLC for \$24,000 for Financial Audit; \$3,000 for the Single Audit; and \$2,900 for the Form 990 for FY22 is hereby approved.



Voting in the affirmative were directors Karen Davenport, Matt Downs, Sara Glenn, Bridget Bradley Gray, Celia Martin, Jack McCarthy, Skylé Pearson, Jacek Pruski and Paula Young Shelton. There were no votes opposed. The motion passed unanimously, and the resolution was approved.

Governance Committee Report

Election of directors and officers: Mr. McCarthy noted that Jacek Pruski would be cycling off the Board and expressed gratitude for his service. Matt Downs, Chair of the Committee, presented the Committee's recommended slate of directors and officers for FY2022. After discussion and upon a motion duly made and seconded, the Board voted on the following resolution:

Resolved, that the directors for AELPCS for the Fiscal Year beginning July 1, 2021, and ending on June 30, 2022, shall be as follows:

- *Karen Davenport (DC resident), Finance Committee*
- *Matt Downs (DC resident), Chair, Governance Committee*
- *Bridget Bradley Gray, Chair, Finance Committee*
- *Sara Glenn (DC resident), Finance Committee*
- *Celia Martin, Finance Committee*
- *Jack McCarthy, Chair*
- *Jennifer McKinney, Governance Committee*
- *Andrea Montgomery (DC resident and parent), Governance Committee*
- *Skylé Pearson (DC resident), Governance Committee*
- *Paula Young Shelton (DC resident), Governance Committee*

And further resolved, that the officers for AELPCS for the Fiscal Year beginning July 1, 2021, and ending on June 30, 2022, shall be as follows:

- *Jack McCarthy, President*
- *Paula Young Shelton, Vice President*
- *Jamie Miles, Vice President*
- *Bridget Bradley Gray, Treasurer*
- *Rita Chapin, Assistant Treasurer*
- *Thomas Keane, Jr., Secretary*

Voting in the affirmative were directors Karen Davenport, Matt Downs, Sara Glenn, Bridget Bradley Gray, Celia Martin, Jack McCarthy, Skylé Pearson, Jacek Pruski and Paula Young Shelton. There were no



votes opposed. The motion passed unanimously, and the resolution was approved.

Meeting dates: Mr. Downs presented the committee's recommendations for board meetings for FY2021. Upon a motion duly made and seconded, the Board unanimously approved the following motion:

Resolved, that the board meetings for AELPCS for the Fiscal Year beginning July 1, 2021, and ending on June 30, 2022, shall be as follows:

- *Tuesday, September 21, 2021, 5:00 PM via videoconference (look back to FY2021, kickoff to new year)*
- *Tuesday, December 7, 2021, 5:00 PM via videoconference (strategic plan, audits, 990s, and budget revisions)*
- *Tuesday, February 22, 2022, 5:00 PM via videoconference (planning, budget discussion)*
- *Tuesday, June 7, 2022, 5:00 PM via videoconference (annual meeting, FY2023 budget, slate of officers and directors).*

Other matters: Mr. Downs further requested that all newly elected directors execute conflict of interest agreements and send them via email to the organization's General Counsel and further requested that all members who were directors during FY2021 participate in the Board self-evaluation survey.

New Business

There was no new business.

Adjournment

There being no further business, and upon a motion duly made and seconded, the Board voted on whether to adjourn. After a motion duly made and seconded, the Board voted on the following resolution:

Resolved, that the May 25 23, 2021, Board Meeting of AELPCS is hereby adjourned.

Voting in the affirmative were directors Karen Davenport, Matt Downs, Sara Glenn, Bridget Bradley Gray, Celia Martin, Jack McCarthy, Skylé Pearson, Jacek Pruski, and Paula Young Shelton. There were no votes opposed. The motion passed unanimously, and the meeting was adjourned.