

INTERNATIONAL EDUCATION AND COMMUNITY INITIATIVES
D/B/A ONE BRIGHT RAY, INCORPORATED
Minutes of a Meeting
Of the Board of Directors
Held July 22, 2020

A meeting of the Board of Directors (the “Board”) of International Education and Community Initiatives, d/b/a One Bright Ray, Incorporated, a Pennsylvania non-profit corporation (“OBR”), was held by Zoom videoconference on Wednesday, July 22, 2020. The following Board members were present at the meeting: Joseph H. G. Proietta, M.Ed., President and Founder; Alberta P. O’Brien, EdD; Cassandra McLaughlin, MS; Aykema Mabery-Austin, MBA (who joined after the meeting was called to order); and Lauren Nelson, MA. The following Board nominees, who became directors during the course of the meeting, were also present: Érica Méndez, Ludmiladia Pitter and Mariah Matias. Also present at the meeting were Marcus A. Delgado, Chief Executive Officer and Secretary; Joycet Velasquez, Chief Academic Officer; Anna Duvivier, Chief Operating Officer; Frances Velazquez, Director of Financial Services; Kara Fisher, Director of Curriculum and Instruction; Valecia Johnson, Director of College Partnership; Debra Marker-Toth, Director of School Improvement; Michael Whisman, accountant with Charter Choices, Inc.; Joseph Martin, financial analyst with Charter Choices, Inc.; and Maria Granholm, Esq., of Duane Morris LLP, legal counsel.

Mr. Proietta served as Chair of the meeting and, having met a quorum, called the meeting to order at 3:01 p.m.

As the first order of business, Mr. Proietta called for a review of the minutes from the meeting of the Board held on February 19, 2020. The Board reviewed the minutes and, upon a motion that was duly made and seconded, the minutes of the Board from the meeting held on February 19, 2020 were unanimously approved by the Board.

Second, Mr. Proietta introduced each of Mrs. Méndez, Ms. Pitter and Ms. Matias and indicated that they were present as Board nominated candidates for election as Board members and that resumes for each nominee were provided in advance to the Board. Each Board nominee provided an overview of her respective work experience and qualifications and, thereafter, the existing Board members asked questions of the nominees and discussed each nominee’s potential role with the Board. Following such discussion, upon a motion that was duly made and seconded, the Board unanimously approved Resolution No. 0 **attached** hereto, electing each of Mrs. Méndez, Ms. Pitter and Ms. Matias, effective immediately, as a member of the Board.

Third, Mr. Proietta requested a financial update. Mr. Whisman reviewed with the Board the **attached** unaudited Financial Statements for the fiscal year ended June 30, 2020. Mr. Whisman first reviewed with the Board OBR’s Balance Sheet at June 30, 2020, compared to June 30, 2019. Mr. Whisman noted that OBR’s days of cash on hand increased from 18.51 at June 30, 2019 to 32.91 at June 30, 2020 and that OBR’s receivables from the School District of Philadelphia (the “School District”) increased from \$1,538,371 at June 30, 2019 to \$1,793,602 at June 30, 2020. Mr. Whisman explained that the increase in School District receivables related to a delay of approximately two (2) months in the School District’s payment, which he viewed as the new normal delay for School District payments. Mr. Whisman next noted that, OBR’s

current ratio at June 30, 2020 was 7.97 and that OBR had net income of \$181,893 for the fiscal year ended June 30, 2020 (before adding back non-cash expenses). Ms. Velazquez reported that, since June 30, 2020, OBR received all outstanding amounts from the School District in respect of the 2019-2020 school year, but that those payments were not factored into financial statements, as presented. The Board then discussed the individual performance of each of OBR Non-Profit, OBR CHS and the Harcum Program. Next, the Board discussed financial stimulus programs implemented in connection with the COVID-19 pandemic, and what programs may be available to OBR. After a lengthy discussion of such programs, the Board agreed, consistent with the input from Mr. Whisman, that OBR should apply for a loan under the Paycheck Protection Program, subject to obtaining any bondholder consent that would be required in order to apply.

Fourth, Mr. Delgado reviewed with the Board the **attached** salary scale for professional educators and salary ranges for administrators, in each case for the 2020-2021 school year. Mr. Delgado noted that the salary scale and salary ranges are consistent with those previously approved, but applicable for the coming school year. Mr. Delgado further noted that the 2020-2021 salary scale and salary ranges were reflected in the proposed 2020-2021 annual budget (the "**Proposed Budget**"). The Board discussed the salary scale/ranges and how they compared to the School District. Following such discussion, Mr. Delgado presented the **attached** Resolution No. 1 related to the 2020-2021 salary scales and the Board requested that such resolution be revised to delete the word "increase" as salaries would be consistent with such salary scales, rather than increased beyond such salary scales. Thereafter, upon a motion duly made and seconded, the Board unanimously approved Resolution No. 1, as revised, by roll-call vote. The Board unanimously appointed and authorized Ms. Velazquez to (1) execute all separate resolutions of the Board approved during the course of the Board meeting, and (2) conduct and record all roll-call votes of the Board with respect to such resolutions. Ms. Velazquez accepted such appointment and authority. Next, Mr. Delgado reviewed with the Board the **attached** Resolution No. 2 related to a proposed two percent (2%) salary increase for full time non-teaching staff and directors. After a brief discussion of the proposed resolution, upon a motion duly made and seconded, the Board unanimously approved Resolution No. 2 by roll-call vote.

Fifth, Ms. Velazquez provided an update to the Board regarding OBR's liability insurance. Ms. Velazquez explained that OBR shopped around for more competitive prices for equivalent coverage, but ultimately determined to renew with OBR's current insurer at a 4.2% increase in premiums, as reflected in the **attached** Premium Summary. Ms. Velazquez reported that such renewal and increase in premiums was reflected in the Proposed Budget. Ms. Velazquez further reported that the insurance renewal and coverage information was reviewed by the School District to confirm that such coverage meets all School District insurance coverage requirements and that OBR will coordinate with its bank to submit an updated Certificate of Insurance, as necessary. Following a brief discussion of the insurance renewal, upon a motion duly made and seconded, the Board unanimously approved the **attached** Resolution No. 3 by roll-call vote.

Sixth, Mr. Delgado presented the **attached** Proposed Budget to the Board. Mr. Delgado explained that the Proposed Budget includes a budget for each of the OBR programs, each in a separate column, as well as a column with the total budget across all three (3) programs. Mr. Delgado also explained the assumptions underlying the Proposed Budget, including assumptions

regarding the number and type (full time versus part time) of students used to estimate the School District Revenues. Mr. Delgado reviewed with the Board various key differences between OBR's 2019-2020 budget and the Proposed Budget, and emphasized the unknown impact of the ongoing COVID-19 pandemic. The Board discussed at length the current and anticipated impact of the COVID-19 pandemic on OBR, and the need for flexibility and adjustments, as appropriate, to best handle the uncertainties associated therewith. Thereafter, upon a motion duly made and seconded, the Board unanimously approved the **attached** Resolution No. 4 by roll-call vote, with the understanding that the Board would likely need to revisit the Proposed Budget at its next meeting, given the uncertainties related to the ongoing COVID-19 pandemic.

Seventh, Mr. Delgado reported to the Board that OBR's staff devoted a lot of time to developing a plan for the 2020-2021 school year, including determining how best to provide instruction to its students in a safe and effective manner (i.e., virtually, in-person or a hybrid of both). Mr. Delgado acknowledged various team members for their extensive work on developing such a plan.

Mr. Delgado explained that OBR developed a trimester structure to be implemented in the fall, which would involve three (3) longer modules (approximately 61-65 days), with an additional credit recovery session during the summer. Mr. Delgado reviewed the **attached** proposed 2020-2021 Academic Calendar with the Board, which reflect the trimester structure, and noted that the proposed Academic Calendar was consistent with School District requirements regarding instructional days. Mrs. Marker-Toth reviewed with the Board the **attached** overview of the 14-week module structure and discussed how students would earn credit under such structure. The Board discussed the proposed Academic Calendar, including the proposed trimester structure, the timing/process for enrolling new students, credit attainment and differences from the 2019-2020 Academic Calendar. Thereafter, upon a motion duly made and seconded, the **attached** Resolution No. 5, regarding the 2020-2021 Academic Calendar, was unanimously approved by the Board by roll-call vote.

Next, Mrs. Velasquez reported that, in addition to the new module system, and in light of the ongoing COVID-19 pandemic, OBR plans to provide instruction to students, at least initially, through a hybrid of virtual and in-person instruction. Mrs. Velasquez reviewed OBR's plans with respect to orientation, teacher accessibility to students, technology accessibility for staff and students and other logistics related to such proposed hybrid method of instruction. Mrs. Velasquez discussed employee expectations and OBR's plans to address such expectations, including expectations related to OBR culture, communication, relationship-building, educational environment, student engagement, celebration of student accomplishments and teamwork. Mrs. Velasquez and Mr. Delgado discussed OBR's leadership roles and shifts in OBR's strategies and initiatives for new challenges, such as keeping employees, students and others safe, engaging students, fulfilling OBR's mission as well as its contractual agreements with the School District, helping students overcome fears or concerns regarding virtual learning, connecting new students with teachers and integrating them into the school and retaining both students and employees. Mrs. Velasquez also reviewed with the Board the **attached** example employee schedule and discussed the importance of balancing the health and safety of OBR employees and students, the needs of employees in order to continue providing quality education to students and the students' needs for access to instructional, technological and other support.

Thereafter, Mr. Delgado reviewed with the Board the **attached** Resolution No. 6 which, following a motion duly made and seconded, was unanimously approved by the Board by roll-call vote.

Eighth, Ms. Johnson provided the Board with an update regarding the Harcum Program. Ms. Johnson reported that recruitment efforts are ongoing, but have taken on a different form in light of the ongoing COVID-19 pandemic, including weekly virtual meetings and follow-up with potential students and virtual open houses. Ms. Johnson noted that new students will participate in a virtual orientation. Ms. Johnson further noted that Harcum College is planning to open for in-person classes in the fall and that discussions are ongoing with Harcum College regarding whether students will have the option to attend virtually, if preferred by students. Ms. Johnson also provided updates to the Board regarding the Harcum Program's development of safety guidelines and other measures to protect students and staff, increases in tuition and student enrollment and retention.

Ninth, Mr. Delgado presented to the Board the **attached** Resolution No. 7 regarding renewing OBR's line of credit with PNC Bank and moving OBR's general bank accounts from Wells Fargo to PNC. Mr. Delgado explained that moving such bank accounts would help consolidate OBR's banking relationships, and strengthen OBR's banking relationship with PNC, which holds OBR's line of credit and bonds. The Board discussed the line of credit renewal, including the need for such line of credit, the terms for renewing such line of credit and the proposed migration of bank accounts to PNC. The Board instructed OBR's administration to obtain a letter of security from PNC prior to migrating its bank accounts to PNC. Thereafter, upon a motion duly made and seconded, and subject to OBR obtaining a letter of security from PNC, the Board unanimously approved Resolution No. 7 by roll-call vote.

Tenth, Mr. Delgado presented to the Board the **attached** Resolution No. 8 regarding affirmation of the previously Board-approved lease arrangements of OBR, including that certain Second Amended and Restated Lease Agreement, dated as of October 1, 2018, by and between OBR, as lessor, and Community Academy of Philadelphia, a Pennsylvania Charter School ("CAP"), as lessee, that certain Amended and Restated Agreement of Sublease, dated as of October 1, 2018, by and between CAP, as sublandlord, and OBR, as subtenant, for the sublease of premises located at 2820 North 4th Street, Philadelphia and that certain Amended and Restated Agreement of Sublease, dated as of October 1, 2018, between CAP, as sublandlord, and OBR, as subtenant, for the sublease of premises located at 1142-52 East Erie Avenue, Philadelphia (collectively, the "Lease Agreements"). Mr. Proietta explained that the Board previously reviewed and approved the Lease Agreements; however, the School District has since taken the position that any Board member who is an employee of CAP is deemed to have a financial interest in the Lease Agreements and, therefore, should abstain from voting on the Lease Agreements. The Board discussed the Lease Agreements, including the calculation of lease payments based upon the allocation of square footage of the premises used by OBR versus CAP. The Board requested that the resolution be modified to strike the "FURTHER RESOLVED" language and change to the duration from to July 1, 2020 to June 30, 2025. Following such discussion, upon a motion duly made and seconded, the Board members approved Resolution No. 8, as revised, by roll-call vote, with Board members who are also CAP employees abstaining.

Eleventh, Mr. Delgado presented to the Board the **attached** Resolution No. 10 regarding OBR applying for a loan under the Paycheck Protection Program, subject to obtaining any bondholder consent would be required in order to apply, consistent with the Board's earlier discussions on such topic. There being no further discussion on the topic, upon a motion duly made and seconded, the Board unanimously approved Resolution No. 10 by roll-call vote.

Twelfth, Mr. Delgado reviewed with the Board the **attached** 2020-2021 Board Meeting Schedule. After a brief discussion regarding the 2020-2021 Board Meeting Schedule, upon a motion duly made and seconded, the **attached** Resolution No. 9 regarding such schedule was unanimously approved by the Board by roll-call vote.

Thirteenth, Ms. Duvivier provided an update to the Board regarding various health and safety measures that have been or are being implemented in light of the ongoing COVID-19 pandemic. The Board asked, and Ms. Duvivier responded to, numerous questions regarding the measures taken or to be taken, best practices and the receptiveness of employees and students to such measures. The Board thanked the OBR administration for their hard work in developing plans and implementing measures to both enhance the safety of OBR students and employees, and follow OBR's mission to provide quality education to its students.

Mr. Proietta asked if there was any new business to come before the Board. There being no such new business, upon a motion duly made, seconded and unanimously approved, the meeting was adjourned at 4:39 p.m.