

- Draft Minutes -
**Achievement First Rhode Island
Board of Directors**
Monday, October 18, 2021, 5:30 pm
85 Garfield Ave, Cranston (for directors)
Zoom Video Conference (for staff and guests)

I. Call to Order & Attendance

The meeting was called to order at 5:37 pm by Mayor Jorge Elorza. The following board members, constituting a quorum, AF Rhode Island and Achievement First staff were in attendance:

Jorge Elorza - Yes	Donavan Tracey, AFRI School Leadership (Zoom)
Macky McCleary - Yes	Aja Davis, AFRI School Leadership (Zoom)
Reshma Singh - Yes (Zoom)	Andrew Walker, AFRI School Leadership (Zoom)
John Iglizoi - Yes	Francheska Dominique, AFRI School Leadership (Zoom)
Ben Smith - Yes (Zoom)	Mindy Rice, AFRI School Leadership (Zoom)
Maryellen Butke - Yes	Nicole Gugliuzza, AFRI School Leadership (Zoom)
James Wiley - Yes	Breonna Hudgins, AFRI School Leadership (Zoom)
Charles Lombardi - No	
Susan Curtis – Yes	

Achievement First staff and guests: Salvador Pellerano, Sarah Blanton, Cassidy McKee, Kevin Lohela, Kiah Hufane. Jillian Fain, Claire Shin, Stephanie Keenoy, Neil Shah, and Derek Osterman

II. Public Comment

There was no public comment.

III. Approve Minutes

RESOLVED, the AF Rhode Island Board of Directors hereby approves the meeting minutes from June 25, 2021.

Motion by John Iglizoi
Seconded by Maryellen Butke
All in favor

IV. Discussion and Business

A. Principal Reports

The new principals introduced themselves. Francheska Dominique is the founding principal of AF Envision Elementary School, Breonna Hudgins is principal of AF Providence Elementary school and Nicole Gugliuzza is principal of AF Illuminar Elementary School.

Mayor Elorza expressed his interest in understanding the state of the schools and experiences that the school leaders are having. Mindy Rice shared that it feels good to be closing out the first eight weeks.

That said, she expressed the fatigue that everyone is feeling dealing with staffing coverages and other challenges. The adults in the building are working hard.

Andrew Walker reaffirmed the high level of commitment from the staff and partnership with families. At AF Illuminar Middle, they haven't had a school year yet that hasn't been impacted by COVID. He spoke about increased intervention in supporting social emotional learning for students and academic interventions in guided reading and math. That, combined with safety protocol and staff absences, can be challenging.

Francheska Dominique said that the students love being in school but the staff are struggling. She's thinking about how she can best support her staff.

The board discussed the impact of staffing challenges at the different schools. Each principal shared the challenges they face and the impact those challenges have on the day to day operations of the school. All teachers, leaders and operations staff are spending time covering for absences usually taking up lunch and prep periods.

Steph Keenoy, AF's Superintendent, joined the meeting to discuss remedies and various efforts to address the staffing challenges. The board was supportive of granting the schools and AF to make strategic decisions to address these challenges so long as there is proactive communication to families. The board considered the resolution below and decided to vote at the end of the meeting.

WHEREAS, principals and Achievement First (AF) staff have detailed novel challenges and concerns in light of COVID-19, and the board has considered such challenges and concerns;

RESOLVED, the AF Rhode Island Board of Directors hereby authorizes the Superintendent, in collaboration with school principals, to make temporary programmatic and/or structural changes to the instructional model as permitted by law, subject to authorizer approval,

BE IT FURTHER RESOLVED, Achievement First and its designee are, jointly and severally, authorized and directed, in the name of AF Rhode Island, to take any and all actions and/or submit such documents needed to effectuate the foregoing resolution.

The board discussed their comfort with this resolution so long as it is subject to AF developing a protocol of what conditions trigger what remedies and a strong communication plan for families.

B. Professional Growth Plan (PGP) Review

The board entered executive session at 6:28 pm to discuss principal performance reviews and invited Sarah Blanton, Kevin Lohela, Kiah Hufane and Claire Shin to join.

Motion by Macky McCleary
Seconded by Maryellen Butke
All in favor

The board exited executive session at 6:52 pm. Motion by John Iglizzi. Seconded by Maryellen Butke. All in favor.

C. Treasurer Report

Mr. Neil Shah gave an overview of the strong finish to FY21 largely due to the PPP loan which was forgiven. He reviewed the options for ESSER funding and the proposed FY22 budget amendment.

RESOLVED, the AF Rhode Island Board of Directors hereby approves the amended budget as recommended by the Finance Committee and prepared by Achievement First for the 2021-22 fiscal year.

Motion by Maryellen Butke

Seconded by James Wiley

All in favor

D. Real estate discussion and possible action

Cassidy McKee reviewed the status of the Stage II application which was submitted in September to the RIDE School Building Authority. Ms. McKee reviewed the total cost of the projects included in the application (acquisition and construction of an addition at AF Illuminar and acquisition and renovation of the permanent home for AF Providence high school) and financing options. Term sheets for new debt (\$65MM) have been shared with the board. The total cost of the projects submitted to RIDE came in at \$71.5MM. AF is working on bringing down costs to what we will be able to borrow. The 85 Garfield purchase price is still being finalized.

AF is proceeding with acquiring with the leased parcel and we are negotiating with the property owner on the parcels for the field at Garfield Ave. One of the pieces that will not be completed in this initial set of projects will be the 85 Garfield Street fields.

AF believes the projects are affordable both in the near and far term and still maintain additional borrowing power for future needs. The initial 18 month construction period may be challenging before State reimbursement is received.

There is a resolution to proceed with bond financing for the \$65MM. We received preliminary approval and are moving ahead to finance up to \$75MM (\$65MM of new debt with potentially refinancing existing \$10MM debt). We would only do that if required by the bond counsel.

The term sheets were shared and Ms. McKee quickly highlighted key components. Ms. McKee invited James Wiley to add given that he has been participating in the building committee meetings. Mr. Wiley did not have anything to add.

The board discussed the impact of these resolutions on the debt capacity and the resolutions presented. Mayor Elorza requested that the following three resolutions be approved together.

WHEREAS, Achievement First Rhode Island (“AFRI”) has previously submitted a letter of intent, and Stage I application for the Necessity of School Construction Program (NSC) with the Rhode Island Department of Education (RIDE), and

WHEREAS, the NSC application is a multi-stage process requiring submission of (1) a letter of intent, (2) Stage I - Identification of Need on or before February 15, 2021, and (3) Stage II - Development of a

Solution by September 15, 2021 prior to approval by the council on Elementary and Secondary Education in November 2021, and

WHEREAS, AFRI has previously authorized activities related to Stage II submission and additionally activities related to the preparation of documents for construction, for a total cost not to exceed \$2.4M,

RESOLVED, the AF Rhode Island Board of Directors hereby authorizes the submission of the Stage II application to the School Building Authority, on or before September 15, 2021.

BE IT FURTHER RESOLVED, Achievement First and its designee are, jointly and severally, authorized and directed, in the name of AFRI Board of Trustees, to submit such documents needed to effectuate the foregoing resolution.

BE IT FURTHER RESOLVED, that all actions previously taken by Achievement First and any Authorized Person in furtherance of the foregoing resolutions are hereby ratified and confirmed

Motion by James Wiley
Seconded by Susan Curtis
All in favor

WHEREAS, Achievement First Rhode Island (“AFRI”) has previously submitted a letter of intent, and Stage I application for the Necessity of School Construction Program (NSC) with the Rhode Island Department of Education (RIDE), and

WHEREAS, the NSC application is a multi-stage process requiring a commitment from AFRI to adopt certain “green” building criteria,

RESOLVED, the AF Rhode Island Board of Directors hereby agrees to adhere to the “Green” standards, as follows:

- *To pursue high performance and green opportunities for design within their facilities*
- *To implement the EPA’s Tools for Schools program*
- *All new equipment will be Energy Star or equivalent rated.*
- *A no idling policy will be standard at all Achievement First Rhode Island school facilities*
- *Use no CFC or HCFC based refrigerants in HVAC&R systems*

BE IT FURTHER RESOLVED, Achievement First and its designee are, jointly and severally, authorized and directed, in the name of AFRI Board of Trustees, to submit such documents needed to effectuate the foregoing resolution.

Motion by James Wiley
Seconded by Susan Curtis
All in favor

WHEREAS, Achievement First Rhode Island, Inc., a Rhode Island nonprofit corporation (the “Institution”), proposes to take steps (i) to finance and refinance one or more of the projects of the Institution, including but not limited to those listed on Exhibit A hereto (collectively, the “Projects”), (ii) to finance reimbursement of funds advanced by the Institution for Projects, and (iii) if deemed necessary

and advisable, to refinance all or a portion of the outstanding Rhode Island Health and Educational Building Corporation Educational Institution Revenue Bonds, Achievement First Rhode Island Issue, Series 2019A and Rhode Island Health and Educational Building Corporation Educational Institution Revenue Bonds, Achievement First Rhode Island Issue, Series 2019B (collectively, the “Existing Bond Debt”), in each case through the issue of one or more series of bonds, loans or other indebtedness in an aggregate principal amount not to exceed \$[75] million (the “Indebtedness”), issued together or separately through the Rhode Island Health and Educational Building Corporation (“RIHEBC”), any or all of which may be taxable and/or tax-exempt or any combination thereof, as fixed rate or variable rate debt, pursuant to one or more loan and security agreements (the “Agreements”) to be entered into among the Institution, RIHEBC and/or one or more bond purchasers, as described below; and

WHEREAS, the Indebtedness may be secured by (a) one or more obligations (the “Obligations”) in an aggregate principal amount not to exceed \$[75] million issued under a Master Trust Indenture, as amended, supplemented and/or restated from time to time (the “Master Trust Indenture”) by and between the Institution, as the sole member of the Obligated Group created thereby, and a trustee (the “Master Trustee”) to be named therein, (b) a security interest in the revenues and other assets of the Institution, and/or (c) one or more mortgages and/or leasehold mortgages, as applicable, on certain real property of the Institution;

WHEREAS, Equitable Facilities Fund, Inc. (“EFF”) has agreed to provide financing in an aggregate amount of up to \$40,000,000 through a direct purchase of a portion of the Indebtedness and loan the proceeds thereof to the Institution on the terms and conditions outlined in the Summary of Non-Binding Indicative Terms and Conditions for the Proposed Financing dated August 25, 2021, attached hereto as Exhibit B (as may be amended, the “EFF Term Sheet”);

WHEREAS, The Washington Trust Company of Westerly (“Washington Trust”) has agreed to provide financing in an aggregate amount of up to \$25,000,000 in addition to the amount necessary to refinance the Existing Bond Debt if deemed necessary and advisable through a direct purchase of a portion of the Indebtedness and loan the proceeds thereof to the Institution on the terms and conditions outlined in the letter and term sheet dated September 24, 2021, attached hereto as Exhibit C (as may be amended, the “Washington Trust Term Sheet” and together with the EFF Term Sheet, collectively, the “Term Sheets”); and

WHEREAS, on May 17, 2021, the Board of Directors of the Institution (the “Board”) adopted resolutions declaring the Institution’s official intent to finance all or a portion of the costs of the Projects (or reimburse itself for prior expenditures with respect thereto) with proceeds of a subsequent borrowing in accordance with Section 1.150-2 of the Treasury Regulations.

NOW, THEREFORE, BE IT RESOLVED:

Section 1. Approval of the Indebtedness. That the Board hereby approves the issue of Indebtedness in an aggregate amount not to exceed \$[75] million upon substantially the same terms and conditions as set forth in the Term Sheets (and any amendments thereto), in order to finance the Projects, (b) if deemed necessary and advisable, refinance the Existing Bond Debt, and (c) pay other costs directly associated with such financings.

Section 2. Authority to Approve Terms of the Indebtedness. That the Chair and/or the Treasurer of the Institution (each, an “Authorized Officer” and together the “Authorized Officers”), be, and each of them singly is, hereby authorized to approve any additional terms of the Indebtedness, the

Agreements and the Master Trust Indenture that may not be contained in the Term Sheets, including without limitation, the aggregate principal amount of the Indebtedness not in excess of the aggregate amount approved by this vote, whether taxable or tax-exempt and the allocation between the series, whether to refinance the Existing Bond Debt, the identity of the Master Trustee, the pledge of security as may be provided for in any agreement, the maturity or maturities, such amounts as he/she may in his/her discretion deem necessary and appropriate, to fund capitalized interest, costs of issuance and other related financing costs, the initial rate or rates and times of payment of interest, the prepayment terms and all other terms of the Indebtedness, the Agreements and the Master Trust Indenture.

Section 3. Approval of Related Agreements. That any one or more of the Authorized Officers, be, and each of them singly is, hereby authorized, in the name and on behalf of the Institution, to execute, acknowledge and deliver in the name and on behalf of the Institution, the Term Sheets, the Agreements, the Master Trust Indenture, one or more Supplemental Trust Indentures, one or more Obligations, and/or any other agreements, certificates, instruments and documents that may be advisable, convenient or necessary to carry out the intent of these resolutions, including without limitation, one or more: supplements to existing bond documents, bond purchase agreements, continuing covenants agreements, mortgages and/or leasehold mortgages, security agreements (or such other named documents that are similar in scope and purpose to the aforementioned documents), the execution thereof by such Authorized Officer or Officers shall be conclusive as to such determination, the approval of the terms thereof, and that the same was authorized by these resolutions.

Section 4. Additional Actions. That any one or more of the Authorized Officers be, and each of them singly is, hereby authorized, in the name and on behalf of the Institution, to execute, acknowledge and deliver in the name and on behalf of the Institution, any and all such additional agreements, instruments and documents and to take all actions, including amendments to existing agreements, instruments and documents related to the Indebtedness, necessary or appropriate, in their discretion to consummate the transactions contemplated by the foregoing resolutions, the execution thereof by such Authorized Officer or Officers shall be conclusive as to such determination, the approval of the terms thereof, and that the same was authorized by these resolutions.

Section 5. Approval of Prior Actions. That all actions previously taken by any officer or employee of the Institution on behalf of the Institution with respect to the Indebtedness are hereby approved, ratified and confirmed in all respects.

Section 6. Effective Date. That this resolution shall take effect immediately.

Motion by James Wiley
Seconded by Susan Curtis
All in favor

E. Board Chair Report

Mayor Elorza discussed the option of creating a real estate committee. Because there is so much work that the facilities team at AF is doing and, to the extent that that work doesn't always align with the schedule of board meetings, it can be advantageous for a committee to be authorized to make decisions on behalf of the board.

RESOLVED, the Achievement First Rhode Island (“AF Rhode Island”) Board of Directors hereby creates a special committee for the purpose of securing real property for school purposes (hereinafter, the “Real Estate Committee”) and, pursuant to Article VII, Section 3 of the By-Laws, AF Rhode Island hereby delegates the full authority of the Board of Directors to take necessary and appropriate actions to select and secure real estate including, but not limited to, entering into leases or other agreements, acquiring real or other property, borrowing money, incurring debt, and executing financial documents, and other related and necessary actions; provided further that the Real Estate Committee shall keep the Board of Directors updated as to actions previously taken or to be taken, but provided further that such updates shall not prevent the Real Estate Committee from taking timely action required by its duties and obligations to secure school facilities.

BE IF FURTHER RESOLVED, the AF Rhode Island Board of Directors specifies that the Real Estate Committee shall expire six months from the date of passage (April 18, 2022).

Motion by John Iglizzi
Seconded by Maryellen Butke
All in favor

Mayor Elorza will appoint individuals to the committees following this meeting. John Iglizzi is interested in the finance committee. Maryellen Butke and Susan Curtis are interested in the personnel committee.

RESOLVED, the AF Rhode Island Board of Directors hereby approves the Family Handbook as presented by Achievement First.

Motion by James Wiley
Seconded by Maryellen Butke
All in favor

Sarah Blanton explained the rationale behind the following resolution to approve short term interim principals.

RESOLVED, the AF Rhode Island Academy Board of Directors hereby approves the following individuals to serve as interim principal, as needed, for a term not to exceed two weeks, between October 19, 2021 and December 2, 2021.

Cynthia Dale and Joseph Fink, co-principals, AF Illuminar Elementary School
Kevin Lohela, AF Envision Elementary School
Jennifer Andrade, AF Promesa Elementary School
Dana Hurley, AF Providence Elementary School
Elizabeth Boyar, AF Providence Middle School
Nikki Souza and Faith Johnson, co-principals. AF Illuminar Middle School
Kimberly Kalenda, AF Providence High School

Motion by John Iglizzi
Seconded by James Wiley
All in favor

V. Additional Business

The board voted on the following resolution subject to it being communicated to families and also subject to the development of a protocol of what triggers the actions.

WHEREAS, principals and Achievement First (AF) staff have detailed novel challenges and concerns in light of COVID-19, and the board has considered such challenges and concerns;

RESOLVED, the AF Rhode Island Board of Directors hereby authorizes the Superintendent, in collaboration with school principals, to make temporary programmatic and/or structural changes to the instructional model as permitted by law, subject to authorizer approval,

BE IT FURTHER RESOLVED, Achievement First and its designee are, jointly and severally, authorized and directed, in the name of AF Rhode Island, to take any and all actions and/or submit such documents needed to effectuate the foregoing resolution.

Motion by John Iglizzi
Seconded by Maryellen Butke
All in favor

VI. Adjourn

The meeting was adjourned at 7:36 pm by Mayor Elorza.