



R H O D E I S L A N D MAYORAL ACADEMIES

Minutes of the Meeting Held on July 15, 2009

A meeting of the Board of the Directors was held on Wednesday, July 15, 2009 at the offices of Moses & Afonso, 160 Westminster Street, Providence, Rhode Island. The meeting was called to order by the Chair at 4:24 pm.

The following directors were present:

Daniel McKee (Chair)
Richard Lynch
Ramon Martinez

Also in attendance were Michael Magee, Daniel Waugh, Antonio Afonso, Jr., John and Letitia Carter, and Sandy McCulloch.

Minutes of June 30, 2009

Mr. Waugh announced that the minutes of the June 30, 2009 meeting were not yet ready for approval and would be presented at the next meeting.

Mr. Magee announced that the Walton Family Foundation education committee has recommended to its board funding of the grant to RIMA. The board will consider the grant at its meeting of July 26.

Mr. Magee announced that he has selected two individuals to hire. He also wanted the board to know that he was working on assembling an employee benefit package.

Directors and Officers' Liability Insurance

Mr. Magee sought quotes from Starkweather & Shepley and Babcock & Halliwell. Babcock & Halliwell has not provided a quote. Starkweather & Shepley sought quotes from four insurers, but only Great American Insurance Company provided a quote.

Mr. Afonso had reviewed the quote provided by Great American Insurance. The quote covers not only directors and officers' liability but also employment practices insurance. The quote provides different coverage levels from \$1 million to \$3 million and also offers "shared" or "split" coverage". Shared coverage would provide aggregate coverage in the selected amount for claims of both types, while split coverage would provide coverage up to the selected limit for officers and directors' claims and separate

coverage up to the limit for employment practices claims. There is also no exception for prior claims; thus, any outstanding claims or claims that arise prior to the coverage date would also be covered. The deductible is also relatively low. Great American Insurance's A.M. Best rating is A-XIV. The "A" portion of the rating is A.M. Best's second-best rating, or "excellent". The "XIV" refers to the size of their policyholder surplus as being quite high. The quote appears acceptable and quite competitive, coverage is typical and comprehensive, without unusual exclusions.

Mr. Waugh pointed out that the policy does not protect RIMA itself, except for employment practices. Mr. Afonso stated that the policy also would not protect any actions undertaken by Democracy PrepSM Blackstone Valley, a Rhode Island Mayoral AcademySM (DPBV-RIMA).

The quote is within the budget, although the budget must also cover other types of insurance coverage that have not yet been obtained.

Mr. Martinez (seconded by Mr. Lynch) moved to approve obtaining coverage under the quotation for a split limit of \$3,000,000 and a premium of \$3,370. AYE: Lynch, Martinez. NAY: None.

Hiring of Public Relations Consultant

Mr. Magee reported that he had not yet received a written proposal for services from Mr. Fisher for the coming year and asked that this item be deferred.

Democracy PrepSM Blackstone Valley, a Rhode Island Mayoral AcademySM

Mr. Magee reported that DPBV-RIMA is moving forward at a rapid pace. Recently, it had a two-day professional development program at the Rhode Island Foundation, hosted with Democracy Builders' team from Harlem and the Building Excellent Schools trainers from Boston. Jeremy was able to participate in this, together with one of his lead teachers.

At this point, Democracy Builders has hired two lead teachers and for teaching fellows for DPBV-RIMA. Democracy Builders is looking to hire two more lead teachers in the next week or so, and it has a handful of very good candidates. It also has a very good office manager lined up. So, within about 10 days, they should have their whole staff together.

Democracy Builders has scheduled six different informational sessions parents of lottery winners can choose to attend. Everything seems to be moving like clockwork.

Due to the pressing need to get incorporated, DPBV-RIMA's incorporation papers were filed with the 4 mayors as the board members. The Department of (Elementary and Secondary) Education needs DPBV-RIMA to be formed to receive the

state funding. Typically, the disbursement schedule calls for quarterly payments starting July 1. Because DPBV-RIMA had no enrolled students as of July 1, however, it will not receive any state funding until October. To cover this gap, the Department of Education lends new schools the funds to cover them until the first payment date at no interest. The loan cannot take place, however, until the school is actually incorporated. So we are incorporating this week.

The next steps will be to name a Treasurer and create bank accounts.

The relationship between DPBV-RIMA and Democracy Builders has also been considered. Mr. Magee felt that the preferred solution is to have Democracy Builders or its subsidiary manage the school as DPBV-RIMA's agent. There will be very clear reporting requirements as to how Democracy Builders expends DPBV-RIMA's funds. Thus, we need a good operating agreement with Democracy Builders. Democracy Builders has already set this type of structure up with Democracy PrepSM in Harlem, and it understands that this structure must be set up to run multiple schools--not just the Rhode Island school, but also additional schools in New York that it has been asked to take on. Drew Alsop and Mr. Magee will be spending a lot of time over the next few weeks drafting the operating agreement. A draft will be provided to the board as soon as possible.

Mr. Magee met with lawyer for the diocese on June 14 about negotiating a lease for the school facility. The Town previously leased the building for \$54,000 per year, and that is Mr. Magee's target rent for the proposed lease. The church still wants some use of the building. This building is up-to-code for the school's current operations and for up to one more year; however, it is not a long-term solution.

The St. Patrick's school facility should be explored as a long-term site, although it to may not be big enough for the full K-8.

(Mr. Martinez left the meeting.)

It may be possible to share some space with other programs, such as the Town's learning-to-read program.

Mr. Waugh reported that once DPBV-RIMA was incorporated, a meeting of its board of directors would be needed to elect a Treasurer, so that the money flow from RIDE can be initiated. There will also be some corporate expenses of DPBV-RIMA itself, such as D&O insurance and selecting an accountant.

"It turns out there a lot of details to opening a public school." --Mr. Magee

Intellectual Property

At its last meeting, the board authorized the engagement of counsel to pursue the process, but we have not received any progress reports to date.

Board Development

This item is deferred until the D&O liability insurance is in place.

Adjournment

The Chair noted the lack of a quorum at 5:23 p.m. and declared the meeting adjourned.

Respectfully submitted,

Daniel Waugh, Secretary

“Mayoral Academy” is a service mark of Rhode Island Mayoral Academies.

“Democracy PrepSM” is a service mark of Democracy Builders.