

THE ACADEMY

Learning Today, Leading Tomorrow

MINUTES

Board of Trustees Meeting
Tuesday, August 26, 2014

CALL TO ORDER

THE ACADEMY BOARD OF TRUSTEES

The Academy Board of Trustees meeting was called to order at 6:33 p.m., Tuesday, August 26, 2014 at The Academy located at 1901 N. Fairview Street, Santa Ana, CA 92706.

ROLL CALL

Board of Trustees Present:

Marian Bergeson
William Healey
Sandi Jackson
Elim Kay
Gerardo Mouet
Susan Samueli
Chris Scheithauer
Deborah Vandell
Nicole Washington

Academy/Orangewood Staff Present:

Carlos Leija
John Luker
Raquel Ochoa
Anthony Saba
Chris Simonsen
Bob Theemling

APPROVAL OF MINUTES

Marian Bergeson requested an amendment be made to the July 22, 2014 Board of Trustees Minutes noting that the abstaining vote regarding the “Western Association of School and Colleges Business Agreement” was made by Chris Scheithauer. A motion was made by Gerardo Mouet, seconded William Healey and carried by a vote of 8-0 to approve the July 22, 2014 minutes.

PUBLIC COMMENT

Sandi Jackson opened the floor for public comment. No public comment was made.

BOARD CHAIR REPORT

Sandi Jackson announced that the 501(c)3 for The Academy was approved.

HEAD OF SCHOOL

Anthony Saba provided the following report on The Academy:

- School begins on Thursday, August 28, 2014. There are currently 124 sophomores and 138 freshmen registered. There are 40 freshmen on the waiting list. The focus for the first three days of school will be around culture building and acclimating the students. The freshman class is scheduled to go to Explore Ocean. The sophomore class will visit Santa Ana College.
- Half of the student body attended an Angel Game on Monday, August 25, 2014. They had a great time!
- Back to School Night will be held on Wednesday, August 27, 2014 at 5:30 p.m.

CEO REPORT

Bob Theemling provided a report on the continued progress of Residential Education Option Advocacy Committee.

Included in the Board packet is a letter to Chris Simonsen, Chair of the Residential Education Option Advocacy Committee, from Dr. Michael J. Lawler and Dr. Gail S. Goodman. Bob informed the Board members that Dr. Lawler and Dr. Goodman performed a 10 year study of the San Pasqual Academy in San Diego. Their results, particularly around child well-being and outcomes, showed positive adjustments in their subjects when they reached adulthood. Dr. Lawler and Dr. Goodman continue to support the efforts of the Residential Education Option Advocacy Committee.

Cheye Calvo, who designed the majority of the financial models for the SEED Schools 5/2 Program, is going to help us with the financial models for our 5/2 Program as well as the staffing patterns as they relate to the State of California labor laws. Payment has been approved by the Samueli Foundation to hire Mr. Calvo as a short term consultant.

Mayor Miguel Pulido and Jill Wallace, who is on the Residential Education Option Advocacy Committee, met with Governor Brown. Governor Brown will be visiting Orange County and is interested in Visiting a local site for a promotional event which we hope might be The Academy. Prospective dates for this meeting are being discussed.

Chris Simonsen reported that great progress is being made on temporary campus. The modular classrooms have been set up and the play field has been expanded.

A meeting was held today, August 26 2014, with Farmers and Merchants Bank regarding the construction loan. The anticipated closing date for the loan is October 1, 2014.

Chris Simonsen informed the Board members that the financing through Farmers and Merchants Bank is being positioned so it can be converted to New Markets Tax Credits (NMTC) financing. There are several NMTC applicants that are including The Academy as a project on their 2015 application. The NMTCs will be issued in February, 2015. If the tax credit holders receive allocations, then we can convert our traditional financing through Farmers and Merchants Bank into NMTC financing and take advantage of that program.

Chris Simonsen provided a report on the insurance policy for the Commons building. Greg Dillion helped HomeAid rewrite the insurance policy and that process is now complete. The Orangewood Children's Foundation Board of Directors will hold their Board meeting on Tuesday, September 9, 2014 and the insurance program will be on the agenda for approval. If approved, the subcontractors can be signed up beginning Monday, September 15, 2014 and a master budget can be put together with construction to begin shortly after that.

FUNDRAISING

Carlos Leija provided a report on the Operational Project Funding/Financial Information. To date, there is \$245K in pending Foundation proposals and \$175K secured.

The 44 Women for Children Emeritus will be having a Holiday Tea on Sunday, December 14, 2014 at the Balboa Bay Club. Proceeds from this event will go toward The Academy operations \$750K fundraising goal.

Carlos Leija reviewed The Capital Campaign Progress Report. To date, the total raised with verbal commitment is \$20,129,687.

COMMITTEE REPORTS

FINANCE REPORT

William Healey reported that the Finance Committee met on Friday, August 15, 2014. The committee reviewed: the June 2014 financial statements and year end data; campus development; the progress of the Capital Campaign; the Finance Committee responsibilities; and the Education Protection Account (EPA).

He informed the Board members that The Academy's net income was \$62K and the cash balance was \$265K at the end of the year.

The Education Protection Account (EPA) must be established at the State level for all schools as a result of the passage of Proposition 30 in November 2012. During the drafting of Proposition 30, there was concern that additional revenue generated from higher taxes would not end up being spent on students but might be used for administrative costs. To address these concerns, Prop 30 mandated that EPA funds not be spent on salaries and benefits of administrators or any other administrative expenses. The EPA resolution is done to ensure that school's Board recognizes these requirements and will adhere to them. A filing will be required each year in order for the State to release the funds they have held back in The Academy's EPA account. The estimated amount of Academy EPA funds for the 2014-15 school year is approximately \$207K. The finance committee recommends approval of the EPA.

The floor was opened for public comment. No public comment was made.

A motion was made by William Healey, seconded by Marian Bergeson, and carried by a vote of 9-0 to approve the Resolution Regarding the Education Protection Account.

William Healey provided a report on the 2013-14 Academy Finance Committee Responsibilities. The Finance Committee recommends that the same responsibilities be approved for 2014-15 as the committee felt that no changes were deemed necessary.

The floor was opened for public comment. No public comment was made.

A motion was made by William Healey, seconded by Gerardo Mouet and carried by a vote of 9-0 for the approval of the Finance Committee responsibilities.

GOVERNANCE COMMITTEE

Marian Bergeson reported that the Governance Committee met on Tuesday, August 19, 2014. The Committee discussed the Memorandum of Understanding (MOU) with the Orange County Department of Education and reviewed the 2014 Biennial Review Notice for Conflict of Interest.

Chris Scheithauer provided a report on the MOU with the Orange County Department of Education (OCDE). A conference call took place with the attorney for the OCDE concerning two final changes that the Governance Committee is requesting. The first concern has been resolved. The second is around contractual obligations and how they apply to the Foundation. The resolution of the second concern should be forthcoming soon.

Marian Bergeson provided a report on the 2014 Biennial Review Notice for Conflict of Interest. A Political Reform Act requires every local government to review its conflict of interest code biennially and submit a notice to its code reviewing body that specifies if the code is accurate or needs to be amended. As there are no amendments to the Academy's conflict of interest code, the Governance Committee recommends approval of the 2014 Biennial Review Notice for Conflict of Interest for submission.

The floor was opened for public comment. No public comment was made.

A motion was made by Marian Bergeson, seconded by William Healey, and carried by a vote of 9-0 for approval of the 2014 Biennial Review Notice for Conflict of Interest Codes.

ACADEMIC COMMITTEE

Deborah Vandell reported that the Academic Committee met and reviewed 2014-2015 Student/Parent Handbook. This is the same document that was approved last year; however, minor changes have been made as noted in red in the Tuesday, August 26, 2014 board packet. The Committee recommends approval of the 2014-2015 Student/Parent Handbook.

The floor was opened for public comment. No public comment was made.

A motion was made by Deborah Vandell, seconded by Sandi Jackson, and carried by a vote of 9-0 to approve the 2014-2015 Student/Parent Handbook with an amendment revising the date from 7/2015 to 7/2014 on page 42 of the handbook.

Anthony Saba provided a report on the Chapman Fieldwork and Student Teaching Agreement. This agreement with Chapman University will provide The Academy teachers with additional educational resources by utilizing Chapman students as student teachers. This will also allow Chapman students to gain valuable experience as they pursue their goals in the field of education. The Academic Committee recommends approval of the Chapman Fieldwork and Student Teaching Agreement.

A motion was made by Deborah Vandell seconded by Marian Bergeson and carried by a vote of 9-0 to approve the Chapman Fieldwork and Student Teaching Agreement.

Deborah Vandell reported that the Academic Committee is working on the development of an Academic Scorecard for the 2014-15 school year. Last year, surveys were administered to the students, the teachers, and Anthony Saba, Head of School. Chris Simonsen suggested that this year's scorecard have additional data, such as the goals of the students, teachers, parents, and Board of Trustees and identifying benchmarks for meeting these goals. Baseline data will be collected early this school year and then in the spring.

Nicole Washington reported that the Career Advisory Council has two career exploration dates scheduled for the freshman class. The Council is working on mentorships for the sophomores. Nicole reached out to the Board of Trustees for assistance as the Council is looking for people to work with the students in a mentor/mentee role.

The Council is also working with Adam Sheppard, Student Life Coordinator/Athletic Director at The Academy, on a speaker series. Individuals from different professions would speak to the students during lunch or town hall meetings as a way of exposing the students to as many career options as possible.

NEW BUSINESS

Chris Scheithauer informed the Board of Trustees that the terms for Sandi Jackson and Susan Samueli are expiring. The Governance Committee would like to nominate them for a second 3-year term.

The floor was opened for public comment. No public comment was made.

A motion was made by Chris Scheithauer, seconded by William Healey and carried by a vote of 9-0 to approve the reappointment of Sandi Jackson and Susan Samueli's for a second term. This will be brought to the Tuesday, September 9, 2014 Orangewood Children's Foundation Board meeting for approval.

The Board of Trustees meeting was adjourned for a closed session at 7:45 p.m.

CLOSED SESSION

The Board reviewed the Annual Performance evaluation for the Head of School, Anthony Saba that was prepared by Sandi Jackson, Deborah Vandell and Chris Simonsen. The review was extremely positive and the entire Board concurred that Anthony's performance during the past year was excellent. The Board was provided 2013 California Head of School salary data obtained from CCSA as a point of reference in relation to Anthony's salary. The recommended salary adjustments for Anthony were reviewed and a motion was made by Marian Bergeson, seconded by Bill Healey and carried by a vote of 9-0 to accept the recommendation.

ADJOURNMENT

A motion was made, seconded, and carried by a vote of 9-0 to adjourn the Academy Board of Trustees meeting at 9:00 p.m. The next meeting will be held on Tuesday, September 23rd at 6:30 p.m. at The Academy located at 1901 N. Fairview Street, Santa Ana, CA 92706.

MARIAN BERGESON, SECRETARY