
THE ACADEMY

Learning Today, Leading Tomorrow

MINUTES

Board of Trustees Meeting
Tuesday, May 26, 2015

CALL TO ORDER

THE ACADEMY BOARD OF TRUSTEES

The Academy Board of Trustees meeting was called to order by Sandi Jackson, Chair, at 6:30 p.m., Tuesday, May 26, 2015, 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
Nicole Washington

Academy/Orangewood Staff Present

John Luker
Anthony Saba
Chris Simonsen
Bob Theemling

Board of Trustees Absent:

Deborah Vandell

ExED:

Larry Tamayo

APPROVAL OF MINUTES

A motion was made by Marian Bergeson, seconded by William Healey, and carried by a vote of 8-0 to approve the Tuesday, April 28, 2015, Board of Trustees meeting minutes.

PUBLIC COMMENT

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

BOARD CHAIR REPORT

Sandi Jackson proposed Monday, October 12, 2015 as the date for the Fall Academy Board Retreat. She informed the Board members that an email would be sent out to poll the Board as to whether this date will work for everyone.

Anthony Saba introduced the Integrated Math 1 Honors students who presented their student projects to the Board of Trustees. For their projects, the students utilized survey data and analysis to determine ways that The Academy can be improved.

HEAD OF SCHOOL

Anthony Saba informed the Board members that the 2015-16 School Calendar has been revised, as February 28, 2016 and February 29, 2016 were inadvertently left off. The revised school calendar includes both days. Anthony Saba recommended that the revised 2015-16 School Calendar be approved by the Board of Trustees.

Sandi Jackson opened the floor 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 8-0 to approve the revised 2015-16 School Calendar.

Anthony Saba provided a report on the Local Control Accountability Plan (LCAP). He informed the Board members that an annual review and reflection needs to be conducted on the LCAP. The review is then submitted to the Orange County Department of Education. The LCAP has been vetted by the Academic Sub-Committee; Chris Simonsen, CEO of The Academy; and Sandi Jackson, Academy Board Chair. It is recommended that LCAP be approved by the Board of Trustees.

Sandi Jackson opened the floor 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 8-0 to approve the Local Control Accountability Plan.

John Luker reviewed the Medical Clinic Proposal with the Board members. He informed the Board members that the Commons Building was designed to house a small medical clinic. Orangewood released an RFP asking for proposals to run our clinic from existing Federally Qualified Health Care Clinics (FQHC). Proposals were received from SOS Medical Clinic and Hurtt Family Health Clinic. After review of both proposals and interviews with each of the clinics, management feels that SOS Medical Clinic is the best fit for The Academy and recommends that the Board of Trustees gives management the authority negotiate a contract with SOS Medical Clinic. Once the contract is complete, it will be brought forth to the full Board for final approval.

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

A motion was made by William Healey, seconded by Susan Samueli, and carried by a vote of 8-0 to authorize The Academy's management team to enter into negotiations on the contract with SOS Medical Clinic.

CEO REPORT

Bob Theemling provided a brief report on the efforts taking place on the future residential campus at The Academy. He informed the Board members that he and Chris Simonsen will be traveling to Sacramento on Friday, May 29, 2015 to meet with the Department of Social Services.

John Luker provided a construction update on both the Academic building and Commons building. He informed the Board members that the Academic building is in its final stages and the classroom furniture will be moved in on Thursday, May 28, 2015. The construction on the Commons building is behind schedule; however, it should be completed by the end of June.

FUNDRAISING

Chris Simonsen reviewed the Operations Fundraising Results through May 19, 2015. To date, total operations giving is \$553,557.

Chris Simonsen reviewed The Capital Campaign Progress Report ending May 21, 2015. To date, the total raised with verbal commitments is \$21,158,408.

COMMITTEE REPORTS

FINANCE REPORT

William Healey reported that the Finance Committee met on Friday, May 8, 2015. The Committee members reviewed and recommends approval of the March Financials; the Financial Committee Scorecard; the 2015-16 Academy Budget; the 2015-16 Lease Agreements; the 2015-16 Shared Services Agreements; and the Request for Additional Orangewood Children's Foundation Reimbursement. In addition, William informed the Board members that subsequently to the Finance Committee meeting, The Academy received updated information on the Local Control Funding Formula (LCFF) gap closure which resulted in a revenue increase of \$221K for the 2015-16 Academy budget. As this was a significant increase, Management reviewed the budget and revised several expense items as well. The Finance Committee recommends approval of the 2015-16 Academy Budget with the revisions.

Larry Tamayo reviewed the March 2015 Financial Dashboard with the Board members. Larry reported that there have not been any significant changes since the April Board meeting. However, he did point out that the Average Daily Attendance rate is at 256.29 (97%). The Academy is projected to achieve a net income of \$307K for fiscal year 2014-15, well above budget.

John Luker reiterated that, as William Healey mentioned, the Finance Committee approved the 2015-16 Academy Budget and subsequent to the Friday, May 8, 2015 Finance Committee meeting they were informed that the LCFF gap closing percentage increased from 32.19 % to 53% which generated \$221K in additional revenue for the 2015-16 school year. As the increase in revenue was significant, the 2015-16 Academy Budget was revised to incorporate additional expenses including: after school activities; additional coaches and tutors; and operating expenses. John then provided an overview of The Academy Five Year Budget Summary. William Healey added that the Finance Committee does recommend approval of the 2015-16 Academy Budget.

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

A motion was made by Marian, seconded by Susan Samueli, and carried by a vote of 8-0 to approve the 2015-16 Academy Budget.

William Healey referred to the Lease Agreements in the Board packet. There are currently two Agreements between The Academy Charter School and Orangewood Real Property LLC (ORP LLC). The first Agreement lays out the terms for the lease of the premises and buildings and the second Agreement lays out the terms for the reimbursement to ORP LLC for the monthly lease costs of the temporary classrooms.

John Luker noted that due to the fact that Orangewood Children's Foundation is the sole voting member of Orangewood Real Property, the owner of the property, the common board members of Orangewood Children's Foundation and The Academy Charter School would need to recuse themselves from the vote on the approval of the leases and the application for the SB740 grant. The common board members of the two entities are Sandi Jackson, Susan Samuelli and William Healey.

John Luker referred to the Property Lease Agreement and provided an overview of the current market lease rates. Mr. Luker compared two local charter school rental rates and also provided an analysis completed by CBRE (a real estate brokerage). The rental rate at .54/square foot is far below market rates in the area of \$1.02 to \$1.96/sq foot. Mr. Luker noted that the Finance Committee had completed a thorough review of the rates and recommends approval of the Lease Agreements.

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

A motion was made by Marian Bergeson, seconded by Chris Scheithauer, and carried by a vote of 5-0 to approve both the property and classroom Lease Agreements with The Academy Charter School and Orangewood Real Property LLC and the application for SB740 funds. Sandi Jackson, William Healey and Susan Samuelli recused themselves from the vote.

John Luker provided an overview of the Services Agreement between Orangewood Children's Foundation ("Orangewood") and The Academy Charter School ("The Academy"). The Agreement outlines the costs and terms for the services provided by Orangewood to The Academy. The services include: human resources, finance, information technology, facilities and security, marketing and fundraising. Sandi Jackson requested that the Services Agreement be amended to include the following services to be provided by Orangewood: maintenance of Academy records and The Academy website.

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

A motion was made by Marian Bergeson, seconded by Chris Scheithauer, and carried by a vote of 5-0 to approve the Services Agreement between The Academy and Orangewood Children's Foundation with the amendment to the Agreement as stated above by Sandi Jackson. Sandi Jackson, William Healey and Susan Samueli recused themselves from the vote.

John Luker provided a report on the Request for Additional Orangewood Children's Foundation Reimbursement. The Academy is projected to have a net surplus of \$307,206 for the fiscal year. This is \$138,527 above plan. As Orangewood has subsidized the costs of insurance and landscape maintenance for The Academy, management is proposing that The Academy make an additional payment of \$40,000 to cover these non-reimbursed costs. William Healey added that the Finance Committee discussed the reimbursement and felt that as the Foundation has been generously subsidizing expenses/services for The Academy that the additional reimbursement is justified. Chris Scheithauer addressed his concerns about the additional payment and confirmed that the items for which Orangewood is seeking reimbursement are not part of the Shared Services Agreement with Orangewood and The Academy, the reimbursement will not be paid out of public funds, and next year the insurance and maintenance funds will be incorporated in the Academy budget. As there was no further discussion, Sandi Jackson opened the floor for public comment. No public comment was made.

A motion was made by Gerardo Mouet, seconded by Chris Scheithauer, and carried by a vote of 5-0 to approve the Request for Additional Orangewood Children's Foundation Reimbursement for next year. Sandi Jackson, William Healey, and Susan Samueli recused themselves from the vote.

John Luker provided a report on the Finance Committee Scorecard. The Committee decided to track the following three items on the scorecard: Net Income vs. Budget; Fundraising vs. Budget; and a Quick Ratio to determine current assets to current liabilities. This information will be incorporated in the overall Academy Scorecard.

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

A motion was made by Marian Bergeson, seconded by Elim Kay, and carried by a vote of 8-0 to approve the Finance Committee Scorecard.

Larry Tamayo reported that the Governor released the May Budget Revise for the state. The ADA has increased from the January budget and The Academy could also receive a one-time ADA allocation of \$140K for next year.

GOVERNANCE COMMITTEE

Marian Bergeson reported that the Governance Committee met on Tuesday, May 19, 2015. She informed the Board members that Chris Simonsen obtained legal clarification as to the status of Board of Trustees terms and the initial start dates for the Board terms. The Nominating Process for The Academy Board of Trustees has been revised to incorporate language pertaining to the Board term start date for a confirmed Board member, which is July 1, on the same year of approval.

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

A motion was made by Gerardo Mouet, seconded by Chris Scheithauer, and carried by a vote of 8-0 to approve the revised Nominating Process for the Academy Board of Trustees.

Marian Bergeson reported that William Healey and Chris Scheithauer's Board of Trustees terms are set to expire. Both William and Chris would like to continue to serve on The Academy Board of Trustees.

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

A motion was made by Marian Bergeson, seconded by Elim Kay, and carried by a vote of 8-0 to approve the reappointment of William Healey and Chris Scheithauer to the Academy Board of Trustees. Their new three-year terms will begin on July 1, 2015.

Marian Bergeson reviewed the 2015-16 Proposed Slate of Officers for The Academy Board of Trustees. A nomination was made by William Healey and seconded by Susan Samueli to add Chris Scheithauer as Assistant Secretary to the Academy Board of Trustees 2015-16 Proposed Slate of Officers.

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

A motion was made by Marian Bergeson, seconded by Elim Kay and carried by a vote of 8-0 to approve the 2015-16 Academy Board of Trustees Slate of Officers.

Sandi Jackson provided an overview of the 2015-16 Board of Trustees Goals and Objectives. The Governance Committee recommends approval of the 2015-16 Board Goals and Objectives.

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

A motion was made by Chris Scheithauer, seconded by Nicole Washington, and carried by a vote of 8-0 to approve the 2015-16 Academy Board of Trustees Goals and Objectives.

ACADEMIC COMMITTEE

Nicole Washington provided an overview of the Career Advisory Council Board in a handout which included updates on a new Committee addressing Global Initiatives, College Shadow Day, and College Retention. Nicole also informed the Board members of the following upcoming events:

- Volunteer Recognition Event on Friday, June 26, 2015 at The Academy from 10:30 a.m. – 12:30 p.m.
- Mentorship Program Feedback Meeting on Tuesday, July 14, 2015 at The Academy from 11:30 a.m. – 1:00 p.m.

NEW BUSINESS

Sandi Jackson opened the floor for new business. John Luker provided a report on the Medical Insurance Policy for The Academy employees and reviewed the Medical – HMO handout with the Board members. He informed the Board members that The Academy is currently with Anthem Blue Cross; however, management recommends that the Academy move to Blue Shield Platinum. Chris Simonsen explained that the insurance quotes were received after the Friday, May 8, 2015 Finance Committee. John Luker added that policy would go into effect on July 1, 2015. Therefore, the approval of the Medical Insurance Policy is needed by the Board of Trustees.

Sandi Jackson opened the floor 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 8-0 to add the approval of the Medical insurance coverage for The Academy to the Tuesday, May 26, 2015 Board of Trustees meeting agenda.

A motion was made by William Healey, seconded by Chris Scheithauer, and carried by a vote of 8-0 to approve The Academy Medical Insurance Policy with Blue Shield Platinum.

ADJOURNMENT

A motion was made by Marian Bergeson, seconded by Chris Schcithauer, and carried by a vote of 8-0 to adjourn the Academy Board of Trustees meeting at 8:30 p.m. The next meeting will be held on Tuesday, June 23, 2015, at 6:30 p.m. at The Academy located at 1901 N. Fairview Street, Santa Ana, CA 92706.


MARIAN BERGESON, SECRETARY