

**AGENDA  
MEETING OF ORANGEWOOD FOUNDATION  
BOARD OF DIRECTORS**

Tuesday, June 9, 2020 3:00 P.M.

***As a precautionary measure due to the Coronavirus, on-going Board and Committee meetings will take place via Zoom:***

*Please Click Here to Join the Meeting*

Or Dial: 1(669) 900-9128

Meeting ID: 826 2653 8422

Password: 412546

Anyone may address the Board for up to 3 minutes on any item. The Non-Agenda Public Comment Period shall be limited. Please state your name at the appropriate time and the Board Chair will notify you when to begin.

**1. Opening Items**

Greg Dunlap

- a. Call to Order
- b. Roll Call

**2. Public Comment**

**3. Reports**

A. Samueli Academy Executive Director

Anthony Saba

- General Update

(The Executive Director will discuss current and upcoming projects and initiatives, including graduation, academic performance, legislative items, partnerships, etc.)

- 7<sup>th</sup> & 8<sup>th</sup> Grade Update

(An update will be provided on the addition of the 7<sup>th</sup> and 8<sup>th</sup> grade, including student enrollment, and activities)

- Fall Reopening

(An update will be provided on the plans to reopen for the 2020-21 school year during the fall)

B. Finance

John Luker

- 2020-21 OF and SA Shared Services Agreement

*Item for Approval*

**2**

(The Board will review the 20-21 Shared Services Agreement between Orangewood Foundation and Samueli Academy)

- 2020-21 Samueli Academy Budget

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(The Board will review the Samueli Academy Budget for the 2020-21 fiscal year)

**4. Other Business**

**5. Adjournment**

## SERVICES AGREEMENT

This Services Agreement (“Agreement”) is made on this day May ~~1 28<sup>th</sup>~~, 20~~20~~19, executed by and between Samueli Academy, a California nonprofit public benefit corporation operating a public charter school, and Orangewood Foundation (“Orangewood”), a California nonprofit public benefit corporation.

### RECITALS:

**WHEREAS**, Orangewood has the knowledge, experience, and expertise necessary with respect to finance and accounting, information technology, fundraising, development, and human resources; and

**WHEREAS**, Samueli Academy operates a public charter school under a charter granted by the Orange County Board of Education (“Authorizers”) pursuant to the Charter Schools Act of 1992 (Section 47600 *et seq.* of the California Education Code); and

**WHEREAS**, Samueli Academy Board of Trustees (“Board”) may carry out any act and ensure the performance of any function by Samueli Academy and its charter that is in compliance with the California Constitution; the Education Code; other federal, state or local statutes and regulations, orders and rulings applicable to California charter schools; any operational Memoranda of Understanding between Samueli Academy and its Authorizer; and the charter (collectively “Applicable Law”); and

**WHEREAS**, Samueli Academy Board has determined that it is in Samueli Academy’s best interests to enter into this Agreement with Orangewood in order to obtain the services of Orangewood at their cost, and for a stated time period; and

**WHEREAS**, this Agreement is intended to outline the mutual understanding between Samueli Academy and Orangewood governing their respective fiscal and administrative responsibilities and their legal relationship.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt, sufficiency and reasonableness of which are hereby acknowledged, the parties agree as follows:

### AGREEMENTS:

- I. **Term of Agreement.** The Agreement shall begin on July 1, 20~~20~~19, and run through June 30, 202~~1~~0, or until terminated as provided under Section III. Thereafter, the Agreement shall automatically renew for one year periods (July 1 – June 30) unless notice of nonrenewal is given with thirty (30) days advance written notice.
- II. **Modification.** Any modification of this Agreement must be in writing and executed by duly authorized representatives of both parties and indicate and intend to modify this Agreement. The duly authorized representative of Samueli Academy is the Chairman of the Board of Trustees. The duly authorized representative of the Orangewood is the Chairman of the Orangewood Board of Directors.

- III. Termination. Either party may terminate this Agreement at any time, with or without cause, with one hundred twenty (120) days advance written notice. In addition, ~~this~~This~~is~~this ~~Agreement~~agreement may be deemed terminated automatically in the event the charter is revoked, or the charter school closed or the charter abandoned.
- IV. Services to be provided by Orangewood. Orangewood agrees to perform the Scope of Work outlined in **Attachment A**, attached here and incorporated by reference, and perform all deliverables, for which Samueli Academy will be charged fair and reasonable market rates.
- V. Payment and Terms. Samueli Academy will reimburse Orangewood at its cost for services as outlined in **Attachment A**.
- VI. Liability. Neither Party shall be liable for any errors, omissions, debts or obligations made or entered into by prior to the date of execution of this Agreement. It is the intent of the parties that Samueli Academy be responsible for its own debts and obligations. Nothing in this Agreement shall be construed as imposing on Orangewood any liability arising out of the operations of Samueli Academy or its charter school, except as such liability may result from the provision of services by Orangewood to Samueli Academy. It is the intent of the parties that Orangewood be responsible for its own debts and obligations. Nothing in this Agreement shall be construed as imposing on Samueli Academy any liability arising out of the operations of Orangewood, except as such liability may result from the provision of services to Samueli Academy.
- VII. Indemnification. Samueli Academy agrees to defend, indemnify and hold Orangewood, its employees, officers, directors and agents, free and harmless against any liability, loss, claims, demands, damages, expenses and costs (including attorney's fees and other costs of litigation or other proceedings) of every kind or nature arising in any manner out of the performance by Orangewood of its obligations under this Agreement, except such loss or damage caused solely by the negligence or willful misconduct of Orangewood.  
  
Orangewood agrees to defend, indemnify and hold Samueli Academy, its employees, officers, directors and agents, free and harmless against any liability, loss, claims, demands, damages, expenses and costs (including attorney's fees and other costs of litigation or other proceedings) of every kind or nature arising in any manner out of the performance by Samueli Academy of its obligations under this Agreement, except such loss or damage caused solely by the negligence or willful misconduct of Samueli Academy.
- VIII. Confidentiality. Orangewood shall keep all confidential information made available to it under this Agreement confidential to the extent required by law; provided that nothing in this Agreement shall be construed as restricting Orangewood in performing the services, which require routine disclosure of such information to auditors, regulatory agencies, insurance carriers, and providers. With Samueli Academy's consent, Orangewood will provide financial references upon request to certification organizations, financial institutions, and potential grantors.

IX. Legal Relationship. The parties recognize that each is a separate legal entity. Samueli Academy shall have no authority to enter into a contract that would bind Orangewood, nor extend the credit of Orangewood to any third person or party. Orangewood shall have no authority to enter into a contract that would bind Samueli Academy, absent prior written authorization by Samueli Academy’s Board.

Samueli Academy affirms that Samueli Academy and its charter school shall remain solely liable for all debts incurred by Samueli Academy and that no action taken by Orangewood shall render Orangewood liable in any way for the debts of Samueli Academy. Orangewood affirms that Orangewood shall remain solely liable for all debts incurred by Orangewood and that no action taken by Samueli Academy shall render Samueli Academy liable in any way for the debts of Orangewood.

X. Non-Assignment. Neither party shall assign its rights, duties or privileges under this Agreement, nor shall either party attempt to confer any of its rights, duties or privileges under this Agreement on any third party, without the written consent of the other.

XI. Severability. If any provision or any part of this Agreement is for any reason held to be invalid or unenforceable or contrary to public policy, law or statute and/or ordinance, the remainder of this Agreement shall not be affected thereby and shall remain valid and fully enforceable.

XII. Communications. Samueli Academy shall respond promptly to any Orangewood request for information, and Orangewood shall respond promptly to any request of Samueli Academy for information. Samueli Academy shall also respond promptly to any Orangewood request for clarification of any of Samueli Academy’s fiscal reporting obligations under this Agreement and/or the charter. Samueli Academy and Orangewood will endeavor to resolve disputed issues amicably through frequent and frank communication, and in accordance with the dispute resolution procedures outlined in Section XIII.

Any notice or communication required by, or permitted to be made by or given to either party pursuant to this Agreement, shall be sent to:

Samueli Academy:	Orangewood Foundation:
Anthony Saba, Executive Director	Chris Simonsen, CEO
1901 N. Fairview Street	1575 E. 17 <sup>th</sup> Street
Santa Ana, CA 92706	Santa Ana, CA 92705
714-619-02145	714-796-0203

- XIII. Dispute Resolution. Samueli Academy and Orangewood will resolve disputed issues amicably through frequent and frank communication. If a dispute arises out of or relates to this Agreement, or any alleged breach of this Agreement that cannot be settled through informal communication, the Parties agree to the following process:
- A. The disputing party must provide a brief written statement/summary (“Statement”) of the issue(s) in dispute. Within fourteen (14) days of receipt of the Statement, the Executive Director and CEO of the parties shall have an in-person meeting to discuss and attempt to resolve the issues.
  - B. If the dispute cannot be settled by good faith negotiation between the Executive Director and CEO, a meeting of the Board Chairs of Samueli Academy and Orangewood will take place. This meeting will occur within thirty (30) days’ receipt of the Statement.
  - C. If the dispute cannot be settled by formal meeting of the respective Board Chairs, the parties will submit the dispute to non-binding mediation in Orange County, California. If complete agreement cannot be reached within thirty (30) days of submission to mediation by a mutually agreed upon mediator, any remaining issues will be resolved by binding arbitration
- XIV. Attorneys’ Fees and Costs. In the event that an action or proceeding is instituted to enforce any provision of this Agreement, the prevailing party shall be entitled to its court costs, interest and reasonable attorneys’ fees as fixed by the court.
- XV. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year written above.

Dated: \_\_\_\_\_  
 Sandi Jackson, Chairman of the Board of  
 Samueli Academy Charter School

Dated: \_\_\_\_\_  
 Greg Dunlap, Chairman of the Board  
 Orangewood Foundation

**ATTACHMENT A**  
**SCOPE OF WORK**

**FINANCE, AUDIT & RISK MANAGEMENT**

**A. Financial/Audit support**

- Orangewood Finance staff will partner with ExED, a third party consultant, to prepare a monthly financial dashboard, regular Federal and State reports, El Dorado SELPA reports, materials for Board meetings and the annual budget, and OCDE finance related compliance materials.
- Orangewood will provide monthly financial statements, budgets, accounts payable and treasury functions including reconciling deposits, cash reconciliations, credit management and positive pay.
- Orangewood prepares financial documents for the auditors and works side-by-side with the auditors to help ensure a smooth and timely audit process.
- Audit compliance training - Orangewood assists in developing financial policies designed to meet the requirements and help protect Samueli Academy from financial mismanagement. These policies and procedures will be updated annually.
- Orangewood Finance staff will partner with School Food Solutions, a third party consultant, to prepare monthly School Food Authority (SFA) invoices and annual reports and complete any Statewide audits.
- Orangewood Finance staff will prepare the meeting materials for the monthly Finance meeting and prepare Finance Committee minutes in compliance with the BROWN Act and post appropriately all meetings for the public and all minutes to the website as required.
- Orangewood Finance staff will prepare the meeting materials for any Audit committee meeting and prepare Audit Committee minutes in compliance with the BROWN Act and post appropriately all meetings for the public and all minutes to the website as required.
- Orangewood Finance staff will provide ad-hoc reports as requested by the Board and its committees for use in planning for the future. This could include ~~future~~ plans for a ~~Junior High~~ 7<sup>th</sup> & 8<sup>th</sup> grade, teacher compensation, OCDE requests, WASC accreditation or other considerations.
- IRS Form 990 Support (and the corresponding State Franchise Tax Board Form 199) - Orangewood supports Samueli Academy and auditor in preparing Form 990 tax-exempt organization annual filing.

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**B. Risk Management/Corporate Insurance/Legal**

- Orangewood will secure corporate insurance policies for Samueli Academy and its Board of Trustees. Policies would include items such as General Liability, Property, Workers Compensation and Directors & Officers.

- Orangewood will coordinate with Samueli Academy on any potential property or general liability claim and ensure that an incident report is filled out.
- The Orangewood pro bono law firm will occasionally provide management and support of general legal services.

## **INFORMATION TECHNOLOGY**

### **A. Information Technology/Data and Communication Services**

- Orangewood will provide and support a comprehensive technology-rich environment including IT infrastructure, wireless network, desktop/laptop support, printers, telecommunications, audio visual and security systems.
- Samueli Academy will be required to satisfy Orangewood standards for hardware, software, and maintenance as established from time to time. The network design and profile will be coordinated through Orangewood.
- The Orangewood IT Department will be responsible for the set-up, moving, maintenance and repair of any IT related issue or piece of equipment at the school.
- The Orangewood IT Department will respond to service issues within 24 hours. Issues to be resolved, escalated, or parts ordered within a 3-day period.
- Orangewood will oversee the implementation and management of the Avigilon security platform.

## **HUMAN RESOURCES / PERSONNEL**

### **A. Personnel Management**

- Job postings, interviews, and hiring decisions will be managed by school personnel.  
Orangewood HR will process new hires in a timely manner to ensure that positions are filled as needed. HR Department staff will meet with Samueli Academy new hires to review the various screenings they will need to complete. Once the new hire has passed all of the screenings, they will meet again to review benefits, the payroll system and organizational policies and procedures.
- Samueli Academy management will complete any necessary paperwork for the Verbal or Written Counseling Notices and then collaborate with their HR Department designated personnel to ensure compliance to labor regulations.
- Orangewood personnel will assist Samueli Academy staff in processing necessary paperwork for any employee termination along with being available for meeting with said employee for termination meeting.

### **B. Payroll & Workers' Compensation**

- Orangewood will process the Samueli Academy payroll using the -Paycom system, a third-party payroll processing firm, and complete the upload of the general ledger detail into the accounting system.
- Worker's compensation practices will be managed locally at Samueli Academy.

- Orangewood will process any paperwork and attend any hearings relating to Workers' Compensation claims of Samuelli Academy employees.

#### C. Personnel Records Management

- Orangewood will assist with the setup of employee files and provides procedures to help ensure compliance with state and federal requirements regarding Live Scan procedures, TB Test information, and/or credential verification information.
- Orangewood will set up a system to keep track of expiration dates of First Aid/CPR, Professional Licenses/Credentials, and Substitute Credential, TB test, driver's license and proof of insurance.
- Samuelli Academy shall abide by all state, federal and local requirements.

#### D. Compensation and Benefits

- Health benefits administration – Orangewood will lead the process to secure employee benefits for Samuelli Academy employees on an annual basis.
- Samuelli Academy and Orangewood will gather and evaluate compensation data in the relevant educational market for Samuelli Academy to determine changes in compensation for Samuelli Academy employees.
- Retirement plans and policies will be administered centrally by Orangewood for cost efficiency.
- Orangewood Foundation will manage STRS reporting to Orange County Department of Education and the reconciliation of the reporting to actual amounts collected through Paycom.
- ~~Orangewood shall obtain Sick leave &~~ long-term disability insurance ("LTD") ~~shall be established by Orangewood and manage any claims related thereto,~~ but Samuelli Academy may incorporate state and local needs into their sick leave practice.
- COBRA benefits will be administered centrally by Orangewood for cost efficiency.

### DEVELOPMENT / FUNDRAISING

#### A. Development/Fundraising

- Orangewood will conduct ~~regular~~ Samuelli Academy site visits as needed and work with Samuelli Academy teachers and staff to compile information and tangible outcomes that can be used to engage individual and corporate donors in order to meet the annual fundraising goal to support the school operations.
- Orangewood will research, write and submit foundation grants for Samuelli Academy operations.
- Orangewood is responsible for ~~securing~~ helping to secure the necessary individuals and corporations to participate in the school's robust Work-Based Learning programs.

- Orangewood will manage special events fundraisers, as needed, for the benefit of Samueli Academy operational support.
- Orangewood will provide oversight and management of volunteer groups such as the PALS auxiliary and the ~~OC~~ Junior League of Orange County, CA that wish to participate in activities for Samueli Academy.

**B. Marketing**

- Orangewood will assist with advertising and promotional activities as needed
- Orangewood will participate in public relations activities.
- Orangewood will assist in the development of printed promotional materials such as brochures, flyers, newsletters etc. as needed
- Orangewood will provide support for the website including new content if/when needed

**Executive Office**

**A. Representation**

- Orangewood will represent Samueli Academy in collaboration with the Executive Director as required with Orange County Department of Education, major donors, corporate partnerships, parent meetings and other third parties.
- The Orangewood CEO will work closely with the Executive Director and Board of Trustees to ensure the needs of the school are being met and will provide assistance when needed.

**B. Governance**

- Orangewood attends Governance committee meetings and Board of Trustees meetings and other committee meetings as needed.

**C. ~~Minutes & OCDE Compliance~~**

- ~~Orangewood staff will complete all Board meeting, Governance Committee and Academic Committee minutes. Will post the meeting agendas and minutes in compliance with the BROWN Act.~~
- ~~Orangewood staff will prepare all meeting material for the monthly Board, Governance and Academic Committee meetings.~~

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**Facilities**

- The Orangewood Campus Facilities Supervisor and Campus Facilities Coordinator will be responsible for adhering to and updating the maintenance plan of the campus as outlined in the Operations manual approved by the Board.
- The Orangewood Facilities team will maintain the campus in a manner that provides a safe learning environment for the students and staff.

## COST FOR SERVICES

### **A. Compensation.**

- The amount charged under this agreement is based on the estimated ~~number of hours~~ FTE percentage spent by each individual Orangewood Foundation employee supporting the school at their hourly/salary rate plus the cost of benefits. Time spent by these employees supporting Orangewood Foundation, the Capital Campaign or the Orangewood Residential operations are excluded and not charged to the school. ~~Facilities staff (Salaries & Benefits) will be billed at the cost of the services to Orangewood directly to the school for hours spent at the school providing these services. In 2018-2019 school year this is expected to be 100% of their time. Upon the completion of the residential campus, a portion of the facilities staff time will be billed to Orangewood Residential.~~
- The total amount charged for the services provided by Orangewood Foundation for the ~~2020+9-20210~~ school year is ~~\$349,608,696,755,584,144~~ payable in monthly installments of ~~\$58,062,922,948,678.66,134~~ which is at or below actual Orangewood cost and current market rates for these services. The actual cost of these services incurred by Orangewood Foundation is ~~\$520,814,696,775~~ for the ~~2020+9-210~~ school year.
- If Samueli Academy exceeds net income forecasts in the ~~2020+9-20210~~ school year, Samueli Academy Board of Trustees agrees to evaluate whether an additional allocation of funds to cover the true cost of Orangewood's services is appropriate.

### **B. Auditor Hiring**

On an ~~annual-as-requested~~ basis Samueli Academy ~~may agrees to~~ hire a 3<sup>rd</sup> party auditor to review the time allocation and costs charged to Samueli Academy in order to ensure the overall amount allocated to the school is at or below market rate for these types of services.

**SAMUELI ACADEMY**

*Multi-Year Budget Summary - Scenario #1*

	2019-20	2020-21 Forecast	2021-22	2022-23	2023-24	2024-25
Total Enrollment	527	650	775	775	775	775
ADA @95.5% (previously 95%)	501.39	620.76	740.13	740.13	740.13	740.13
% Free and Reduced	59%	59.1%	59.1%	59.1%	59.1%	59.1%
% English Language Learners	10%	9.8%	9.8%	9.8%	9.8%	9.8%
% Unduplicated Low Income, EL, Foster Youth	67%	66.9%	67.0%	67.0%	67.0%	67.0%
LCFF Cola Assumption		-7.9%	0.0%	3.3%	2.5%	2.5%
Expense COLA		2.0%	2.0%	2.0%	2.0%	2.0%
SB740 @90%		90.0%	90.0%	90.0%	90.0%	90.0%
Salary Increases		3-4%	0.0%	2.0%	2.0%	2.0%
<b>INCOME</b>						
8011-8098 · Local Control Funding Formula Sources	5,631,601	6,299,717	7,386,151	7,627,909	7,819,109	8,014,432
8100-8299 · Federal Revenue	377,798	399,084	482,417	533,931	533,931	533,931
8300-8599 · Other State Revenue	962,842	1,348,791	1,501,941	1,429,785	1,430,540	1,430,540
8600-8799 · Other Local Revenue	65,208	71,687	82,313	82,792	83,276	83,765
Grants/Fundraising	1,882,634	694,500	694,500	744,500	794,500	794,500
8999 · Other Prior Year Adjustment	-	-	-	-	-	-
<b>TOTAL INCOME</b>	<b>8,920,083</b>	<b>8,813,779</b>	<b>10,147,322</b>	<b>10,418,917</b>	<b>10,661,356</b>	<b>10,857,167</b>
<b>EXPENSE</b>						
1000 · Certificated Salaries	2,943,971	3,465,056	3,910,055	3,975,218	4,042,868	4,111,870
2000 · Classified Salaries	678,028	865,544	1,039,224	1,058,572	1,079,743	1,101,338
3000 · Employee Benefits	1,020,364	1,231,604	1,402,222	1,523,179	1,566,324	1,607,892
4000 · Supplies	621,482	718,290	814,410	796,282	808,623	821,210
5000 · Operating Services	2,558,670	2,717,435	3,014,459	3,076,114	3,137,126	3,207,400
6000 · Depreciation Expense - Non Cash	81,404	223,422	217,539	221,859	224,398	235,000
7000 · Other Outgo	-	-	-	-	-	-
<b>TOTAL EXPENSE</b>	<b>7,903,920</b>	<b>9,221,351</b>	<b>10,397,909</b>	<b>10,651,223</b>	<b>10,859,082</b>	<b>11,084,711</b>
<b>NET INCOME</b>	<b>1,016,163</b>	<b>(407,572)</b>	<b>(250,587)</b>	<b>(232,307)</b>	<b>(197,726)</b>	<b>(227,543)</b>
<b>NET INCOME - no Depreciation</b>	<b>1,097,567</b>	<b>(184,150)</b>	<b>(33,048)</b>	<b>(10,448)</b>	<b>26,672</b>	<b>7,457</b>
Projected Beginning Cash		2,120,102	1,872,928	2,052,948	1,967,500	1,879,172
Change in Receivables/Payables		11,977	288,068	-	-	-
Capital Purchases		(75,000)	(75,000)	(75,000)	(115,000)	(75,000)
Net Income / Loss from Above excluding depreciation		(184,150)	(33,048)	(10,448)	26,672	7,457
Projected Ending Cash Balance (after approved capital 1920)	2,120,102	1,872,928	2,052,948	1,967,500	1,879,172	1,811,629