APPROVED

Environmental Charter Schools

Minutes

Finance Committee Meeting

Date and Time
Friday November 16, 2018 at 8:30 AM

Location
ECHS Auxiliary Space, 2625 Manhattan Beach Blvd. Suite 100, Redondo Beach, CA 90278

Finance Committee Members
Farnaz Golshani Flechner - Chair
Tracy Bondi
Ken Deemer
Bruce Greenspon
Alison Diaz

Finance Committee Charter

- Provides financial oversight for the organization
- In conjunction with staff and other stakeholders, develops an annual operating budget and recommends for board approval
- Monitors adherence to budget and recommends changes, if necessary
- Sets long-term financial goals with funding strategies to achieve them
- Considers special, unbudgeted requests and make recommendations to board
- Develops multi-year operating budgets that tie to strategic plan
- Ensures adequacy of financial controls and monitor for compliance
- Ensure Financial literacy of Board Members by providing training

Goals for 2018-2019

- Strengthen reporting of fund development goals.
- Hold a yearly ECS financial training course.
- Ensure adequate financing for the facilities development for all school sites.
- Collaborate with Menlo Charter Properties to refinance loans at ECMS-Gardena and ECMS-Inglewood.
- Ensure salary schedules and benefits are supportable and sustainable.
- Engage board in a critical assessment of the budget as it relates to organizational priorities and goals.

THE ORDER OF BUSINESS MAY BE CHANGED WITHOUT NOTICE

Notice is hereby given that the order of consideration of matters on this agenda may be changed without prior notice.

PUBLIC SPEAKERS AT STANDING COMMITTEE MEETINGS

Notice is hereby given that consistent with the requirements of the Ralph M. Brown Act, special presentations not mentioned in the agenda may be made at this meeting. However, any such presentation will be for information only. The public should be aware that the Committee is unable by law to deliberate or take action on items raised during the Presentations from the Floor section.

Environmental Charter Schools recognizes that it benefits greatly from public input and perspective. Individuals are invited to address the Committee on any topic or subject matter that falls within the Committee's purview. Speakers may sign up in person immediately prior to the beginning of the Committee meeting by speaking with the Committee Chair.

Should a member of the public wish to speak on matters not listed on the agenda, they may speak during the Presentations from the Floor section of the agenda. Speakers will be given a maximum of three (3) minutes each to address the Committee (non-English speakers utilizing translators will be given a maximum of six (6) minutes each). Please note that the Committee allows a maximum of 10 minutes to each subject as determined by the Committee Chair.

Should a member of the public wish to speak on matters listed on the agenda, they may speak during the Presentations from the Floor section of the agenda. Speakers will be given a maximum of five (5) minutes each to address the Committee (non-English speakers utilizing translators will be given a maximum of ten (10) minutes each).

The public should be aware that the Committee is unable by law to deliberate or take action on items raised during the Presentations from the Floor section.

REASONABLE ACCOMMODATION WILL BE PROVIDED FOR ANY INDIVIDUAL WITH A DISABILITY

Pursuant to the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, any individual with a disability who requires reasonable accommodation to attend or participate in this meeting of the Governing Board may request assistance by contacting ECS at (310) 214-3408, option 5.

FOR MORE INFORMATION
For more information concerning this agenda or for materials relating to this meeting, please contact ECS at (310) 214-3408, option 5.

Committee Members Present
Alison Diaz, Bruce Greenspon (remote), Farnaz Golshani-Flechner, Ken Deemer (remote)

Committee Members Absent
Tracy Bondi

Guests Present
Dorothy Lee (remote), Elizabeth Aranda, Jeremiah Rosario David

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I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

Farnaz Golshani-Flechner called a meeting of the Finance Committee of Environmental Charter Schools to order on Friday Nov 16, 2018 at 8:34 AM.

C. Approve Agenda

Ken Deemer made a motion to approve agenda.
Alison Diaz seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

Ken Deemer	Aye
Farnaz Golshani-Flechner	Aye
Alison Diaz	Aye
Tracy Bondi	Absent
Bruce Greenspon	Aye

II. Presentations from the Floor

A. Presentation from the Floor on Non Agenda Items

None.

B. Presentations from the Floor on Agenda Items

None.

III. Discussion Items / Updates

A. EdTec Financial Update

Low performing student block grant slide was shown. This is only for students that aren't SWD, FRL, ELL, or foster, and these students must meet the test score qualification score. ECS submit block grant application to board for approval in January board meeting.

Title IV slide was shown. Small amount of money to be allocated, $10k for each ECS school.

Operating income comparison slide was viewed.

ECS fundraising tracking slide was shown. 63k received of 458k goal for 18-19.

ECHS actuals vs forecast slide was shown. Tracking ahead of budget and forecast.

ECHS operating income changes slide was shown: increase of $62k in operating income.

ECHS CapEx slide was shown.

ECMS-G actuals vs forecast slide was shown. Forecast has dropped because of student disenrollments. Will budget for enrollment more conservatively next year.

ECMS-G operating income changes slide was shown: increase of $25k in operating income.

ECMS-I actuals vs forecast slide was shown. ADA is tracking closely to budget and forecast.

ECMS-I operating income changes slide: increase in $55k in operating income.

ECMS-I CapEx slide was shown. Although expenses exceed revenues with CapEx, this should be made up with expected boosts in fundraising revenues.

NetSuite has new reporting capability to report on actuals vs budget and this will be used to improve the budgeting process.

2018-2019 operating income comparison: all ECS schools are operating with positive net income.

ECHS, ECMS-G, ECMS-I changes in operating income slides were shown.

Balance sheet slide was shown. SB 740 revenues have been delayed, which is causing a slight dip in cash balances. This is also the case with property tax revenues being delayed.

B. Fundraising YTD Update

Currently, $800k in grants awaiting news of award or denial.

ECS is focusing heavily on grants rather than corporate or individual donations.

New tracking mechanism for ECS fundraising has been very useful.

C. Discussion of Investment Options for ECS

Discussion of investment proposals from First Republic and Savos Investments (from California Credit Union) took place. Kinecta and Wells Fargo investment proposals will be received in the next several weeks.

Board member Ken Deemer asked what Manhattan Beach Education Foundation does for their investment portfolio. Chief Operating Officer Farnaz Flechner responded that a committee actively manages their reserves portfolio. However, their reserves are never used but in ECS' case, these investment funds would need to remain relatively liquid.

Board member Bruce Greenspon recommends that a full legal review of the investment process be done for ECS to ensure what can and cannot be done.

CEO Alison Diaz recommends that some of the ECS reserve funds be committed to a very risk-averse money market account where a higher interest rate can be obtained. Half of the reserve funds could be committed to this account and the other half could be committed to an investment fund.

Subcommittee of investment bankers to be formed to provide investment advice.

IV. Action Items

A. Approve Previous Meeting Minutes

Ken Deemer made a motion to approve minutes from the Finance Committee Meeting on 09-21-18 Finance Committee Meeting on 09-21-18.

Bruce Greenspon seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call	
Bruce Greenspon	Aye
Tracy Bondi	Absent
Ken Deemer	Aye
Farnaz Golshani-Flechner	Aye
Alison Diaz	Aye

B. Recommend Board Acceptance of September 2018 Check Registers

Ken Deemer made a motion to recommend board acceptance of September 2018 Check Registers.
Bruce Greenspon seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call	
Ken Deemer	Aye
Farnaz Golshani-Flechner	Aye
Tracy Bondi	Absent
Bruce Greenspon	Aye
Alison Diaz	Aye

C. Recommend Board Acceptance of September-November Private Donations Over $1000

Ken Deemer made a motion to recommend board acceptance of September-November Private Donations Over $1000.
Bruce Greenspon seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call	
Tracy Bondi	Absent
Bruce Greenspon	Aye
Farnaz Golshani-Flechner	Aye
Ken Deemer	Aye
Alison Diaz	Aye

D. Recommend Board Approval of CCU Corporate Borrowing Resolution for Line of Credit

Ken Deemer made a motion to recommend board approval of CCU Corporate Borrowing Resolution for Line of Credit.
Bruce Greenspon seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call	
Bruce Greenspon	Aye

Roll Call	
Alison Diaz	Aye
Ken Deemer	Aye
Tracy Bondi	Absent
Farnaz Golshani-Flechner	Aye

E. Recommend Board Approval of Selected Investment Option for ECS

Tabled.

V. Closing Items

A. Adjourn Meeting

Ken Deemer made a motion to adjourn the meeting.
Bruce Greenspon seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call	
Farnaz Golshani-Flechner	Aye
Alison Diaz	Aye
Bruce Greenspon	Aye
Ken Deemer	Aye
Tracy Bondi	Absent

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:25 AM.

Respectfully Submitted,
Farnaz Golshani-Flechner