

APPROVED



El Camino Real Charter High School

Minutes

Finance Committee Meeting

Date and Time

Monday May 20, 2019 at 4:00 PM

Location

El Camino Real Charter High School, Conference Room, 5440 Valley Circle Boulevard,
Woodland Hills, CA 91367

The Finance Committee is a standing committee of the Board of Directors of El Camino Real Alliance.

For committee meeting materials, please go to the school's main office, or call (818) 595-7500. Some board meeting materials are also posted in the school's website (<https://ecrchs.net> - click the ECR Board tab).

INSTRUCTIONS FOR PRESENTATIONS TO THE COMMITTEE BY PARENTS AND CITIZENS

El Camino Real Alliance ("ECRA") welcomes your participation at ECRA's Finance Committee meetings. The purpose of a public meeting of the Finance Committee is to conduct the affairs of ECRA in public. Your participation assures us of continuing community interest in our charter school. To assist you in the ease of speaking/ participating in our meetings, the following guidelines are provided:

1. Agendas are available to all audience members at the meeting.
2. "Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Public Comments." "Public Comments" is set aside for members of the audience to raise issues that are not specifically on the agenda. However, due to public meeting laws, the Committee can only listen to your issue, not respond

or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed thirty (30) minutes. A member of the public who requires the use of a translator, in order to receive the same opportunity as others to directly address the Committee, shall have twice the allotted time to speak. The Committee may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen-requested item.

3. You may also complete a "Request to Speak" form to address the Committee on Agenda items. With regard to such agenda items, you may specify that agenda item on your "Request to Speak" form and you will be given an opportunity to speak for up to three (3) minutes before the item, and total time allocated to agenda items will not exceed six (6) minutes for a discussion item and nine (9) minutes per vote item. A member of the public who requires the use of a translator, in order to receive the same opportunity as others to directly address the Committee, shall have twice the allotted time to speak, and the total allocated time shall be appropriately increased as well.

4. When addressing the Committee, speakers are requested to state their name and adhere to the time limits set forth. In order to maintain allotted time limits, the Committee Chair may modify speaker time allocations or the total amount of allotted time for an item.

5. Any public records relating to an agenda item for an open session of the Committee which are distributed to all, or a majority of all, of the Board members shall be available for public inspection at 5440 Valley Circle Blvd., Woodland Hills, California, 91367.

Consent Agenda: All matters listed under the consent agenda are considered by the Committee to be routine and will be approved/enacted by the Committee in one motion in the form listed below. Unless specifically requested by a Committee member for further discussion or removed from the agenda, there will be no discussion of these items prior to the Committee votes on them. The Executive Director recommends approval of all consent agenda items.

In compliance with the Americans with Disabilities Act (ADA) and upon request, El Camino Real Alliance may furnish reasonable auxiliary aids and services to qualified individuals with disabilities. Requests for disability related modifications or accommodations shall be made 24 hours prior to the meeting to Daniel Chang, in person, by email at d.chang@ecrchs.net, or by calling (818) 595-7537.

Committee Members Present

Brian Archibald, Gregory Basile, Scott Silverstein

Committee Members Absent

None

Guests Present

Alan Darby, Daniel Chang, David Hussey

I. Opening Items

A. Call the Meeting to Order

Brian Archibald called a meeting of the Finance and Investment Committee Committee of El Camino Real Charter High School to order on Monday May 20, 2019 at 4:01 PM.

B. Record Attendance and Guests

C. Public Comments

There were no public comments.

II. Consent

A. Approve Minutes of April 24, 2019 Finance Committee Meeting

Scott Silverstein made a motion to approve minutes from the Finance Committee Meeting on 04-24-19 Finance Committee Meeting on 04-24-19.

Gregory Basile seconded the motion.

The committee **VOTED** unanimously to approve the motion.

III. Financial Review

A. Review of April 2019 Check Registers

Mr. Silverstein asked whether we are bidding out the Jules Seltzer matter; Mr. Darby stated that he would ask about this. We had agreed to refurbish 10 classrooms a year. Mr. Silverstein also questioned the amounts paid to Squar Millner, and the amount paid for the PSAT/NMST test.

Regarding the Engie Prop 39 matter, Mr. Silverstein questioned whether we had received all payments; there is one remaining rebate to be received of about a little less than \$100K.

Gregory Basile made a motion to recommend approval of the April 2019 check registers to the Board.

Scott Silverstein seconded the motion.

The committee **VOTED** unanimously to approve the motion.

B. American Express Bill Review

Mr. Archibald requested that a breakdown of the charges listed be provided, instead of just large amounts. Mr. Darby agreed to provide the information. Mr. Archibald stated that we will also be asking the auditors to conduct an audit of this as well.

Mr. Archibald asked what the CYFE is - this is for an internet dashboard that is available to all staff through the staff intranet.

C.

April 2019 Financial Update

The State budget was released in May, largely unchanged from the January budget. COLA is down slightly to 3.26% compared to 3.46% in January. In STRS, the projected employer's contribution amount has decreased. In the financial forecast, adjustments were made with the end of the school year in mind. The biggest increase was a positive adjustment of \$190K in services and other operating expenses; the biggest decrease was an adjustment of \$323K in instructional consultants, particularly for Piece of Mind Care Services.

The cash flow forecast, including the cash flow comparison of the last 3 years, was reviewed. This is due to significant non-recurring costs in the last 2 years, particularly Shoup and the Prop 39 project. Mr. Silverstein expressed the importance of maintaining a healthy cash balance. The current numbers show about a 16% cash reserve.

Scott Silverstein made a motion to recommend the approval of the April 2019 Financial Update to the Board.

Gregory Basile seconded the motion.

The committee **VOTED** unanimously to approve the motion.

D. Budget Update

The Committee reviewed the draft 2019-2020 budget. The Committee noted that the fundraising and grants line was at 0, and tasked the Executive Director with looking into this. As to the ADA, the enrollment was started at 3,550 on day 1, and ADA was calculated at 95% of that enrollment number, and then calculated out based on the same changes that was seen this current school year. The number of students coming up from Hale Jr. High was reviewed, as well as ECR's freshmen numbers, for the last 3 years. In 2016-17 we had 74% of the Hale Jr. High students coming into ECR, and 77% percent in 2017-18. We cannot track where the rest of the Hale students go. The Committee was unaware whether this percentage was a good number or not. However, parents have told ECR that Hale is telling them to keep their students in the LAUSD system and to not send them to a charter school. The Committee discussed the importance of increasing ADA at ECR, including improving the programs offered and effective marketing. As to marketing, the Committee recommends reassessing the marketing number in the budget, and possibly looking into an outside agency that has experience in marketing schools. As to the certificated salaries, Mr. Archibald questioned why additional staff was required at the North Campus, when it would not increase the ADA. Mr. Hussey noted that we are required to have qualified staff present at the North Campus, as opposed to our current practice where teachers on the Main Campus teach both AltEd and Independent Study. The Committee recommends that the staff sit down and consider the most cost effective way of staffing the North Campus.

Mr. Archibald also questioned the non-instructional consultants, and asked the staff to look into this.

The Committee also discussed the tech budget. This includes the line item for the front entrance upgrade (whether this is actually a tech item), the ticketing system for students and teachers (and the per-ticket cost), and the infrastructure/e-rate. Mr. Archibald

suggested that, instead of having a broad line item for infrastructure, the Tech Department detail the specific projects and the costs involved for review and approval. The Title I threshold was discussed in order for ECR to be considered a Title I school and thus receive an increase in funding; we are currently at about 33% of students who qualify for Free or Reduced Price Meals, the requirement is 40% or more.

Mr. Silverstein also questioned the line items for insurance, banking fees, and special education encroachment.

The amount spent on substitute teachers was also discussed; staff will differentiate between substitutes for when teachers are on field trips or outside the school on other school-related matters, as opposed to teachers who miss work due to illness or other reasons.

E. Average Daily Attendance Update

This was discussed during the course of the Financial Update and budget.

F. Investment Review

Royal Alliance participated telephonically. Royal Alliance provided a big-picture overview of their investment strategies. This included having them be more conservative so that the investments will not gain as much in a good market, nor lose as much in a bad market. Royal Alliance stated that, when the portfolio was first opened, it was agreed that the approach would be more conservative. Mr. Archibald questioned why we are consistently underperforming compared to the benchmark and what is being done to reverse that; Royal Alliance was unable to provide a specific response, as they only received the request for the information the past Friday and they were only asked to provide a general investment report. If the Committee has specific questions that can be presented, they can respond accordingly. Royal Alliance will also provide a report on performance by manager.

As to the cash (CD) portfolio, it was questioned why that portfolio was underperforming against its index. Royal Alliance noted that it will underperform compared to cash indices such as the US Treasury short-term. Royal Alliance agreed to provide a report broken down by year, as well as a targeted income report by month or quarter.

IV. Other Business

A. Discuss and Possible Vote on Classified Management Salary Table

This matter is tabled, as the table is being further modified.

B. Discuss Back-Office Accounting Providers

ECR will be contracting with ICON as its back office provider for the 2019-2020 school year. The contract amount is less than what we have paid EdTec.

C. Discuss and Possible Vote on Healthcare Contract

Mr. Darby recommended that ECR stay with CharterLIFE, which has been our healthcare broker for the last few years. The contract would be a year and a half, with the right to reduce the term to a year. Other alternatives, some of which were less expensive, were considered, but the coverage did not exactly line up to what has been offered.

Gregory Basile made a motion to recommend to the Board the approval of the healthcare contract with CharterLIFE.

Brian Archibald seconded the motion.

The committee **VOTED** to approve the motion.

Roll Call

Gregory Basile Aye

Brian Archibald Aye

Scott Silverstein Abstain

D. Discuss and Possible Vote on CBO Remuneration

This matter was tabled as it will be discussed during the Regular Board Meeting.

V. Closing Items

A. Adjourn Meeting

Scott Silverstein made a motion to adjourn the meeting.

Gregory Basile seconded the motion.

The committee **VOTED** unanimously to approve the motion.

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 6:41 PM.

Respectfully Submitted,

Daniel Chang