APPROVED

El Camino Real Charter High School

Minutes

Finance Committee Meeting

Date and Time
Monday November 16, 2020 at 4:00 PM

Location
Virtual Meeting - Please See Below

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).

VIRTUAL COMMITTEE MEETING

In accordance with Governor Newsom's Executive Order N-29-20, the meeting of the Finance Committee will take place via a virtual/teleconferencing environment.

To join the virtual Committee meeting, please register through GoToWebinar https://attendee.gotowebinar.com/register/2660522781481461519, webinar ID 310-787-059. You must register for the event (note you do not need to enter your legal name to participate). Once registered, you can attend the meeting through the online link, or by telephone (a call-in number and audio PIN will be provided after you register and prior to the meeting).

PUBLIC COMMENTS

If you would like to make a comment during the Public Comment section or during an agenda item, you may do so in two ways: (1) click the "Raise Hand" icon on the control panel; or (2) email your comment to comment@ecrchs.net and it will be read on the record. **Please note**: your name will be read on the record along with your comment; if you do not wish to have your name read, please indicate on your email.

In order to conduct an orderly meeting, all members of the public will be placed on mute during the Committee meeting, except during public comments. Note that for those who elect to participate through the call-in number, you will not have the option of being unmuted during the meeting.

The Public Comments agenda item 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. 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. 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. When addressing the Committee, speakers are requested to 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.

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 Committee 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
Beatriz Chen (remote), Brian Archibald (remote), Scott Silverstein (remote)

Committee Members Absent
None

Guests Present
Daniel Chang (remote), David Hussey (remote), Gregory Wood (remote)

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 Nov 16, 2020 at 4:00 PM.

B. Record Attendance and Guests

C. Public Comments

There were no public comments.

II. Consent

A. Approve Minutes of October 15, 2020 Finance Committee Meeting

Mr. Silverstein asked that the minutes reflect if Mr. Schwartz of Schwartz & Company answered the question as to whether he was a fiduciary, and what that answer was. The minutes will be modified to reflect Mr. Schwartz's answer if one was provided.
Beatriz Chen made a motion to approve the minutes, with the possible revision identified, from Finance Committee Meeting on 10-15-20.
Scott Silverstein seconded the motion.
The committee **VOTED** unanimously to approve the motion.

III. Financial Review

A. Review of Investment Portfolio

Mr. Wood noted that, based on the concerns and questions raised, Cetera has been looking into providing additional and reconfigured reports. Also, he and Mr. Hussey have reached out to 3 other investment manager firms (from Merrill Lynch, Beacon Point, and Wells Fargo) to get some information before issuing a Request for Proposal. Mr. Wood is suggesting we get an RFP from all 3 investment firms as well as from Cetera. Mr. Archibald noted that he is familiar with the 3 investment firms and he believes they would provide significantly better reporting than what we have received, and if we do stay with Cetera we would require much more specific reporting. Mr. Silverstein stated that it would be beneficial to have a manager who is local so that, when we get back to in-person meetings, we could have the manager appear personally. If there are any specific things that the Committee wanted included in the RFP, Mr. Wood asked that the members contact him.

B.

Review of October 2020 Check Registers

Mr. Silverstein asked that the payees listed for check numbers 14611 and 14612 be redacted to be listed as Confidential. Also, Mr. Silverstein asked what check 14619 was for; Mr. Wood stated that he believed it was for assets, but he will confirm. For check 14649, Mr. Silverstein asked why we are paying $11,474.50 for a lawn mower; Mr. Hussey noted that this is for a riding lawn mower and that our baseball coaches mow the lawn themselves daily to keep it in pristine condition. Check number 31932 was for a software application.

Mr. Silverstein also asked about the difference between sports-related items paid through ASB and the general account. Mr. Wood responded that some athletic equipment was being paid directly for the school for the school's use, while fundraising for specific athletic teams for items that are personalized and/or kept by its members would pass through the ASB account.

Mr. Archibald asked about SPACH149 for reconditioning helmets and shoulder pads, and whether this was needed every 2 years even if the equipment is not used, or if it would be extended. Mr. Hussey replied that this was for services requested before the pandemic, and that helmets and shoulder pads have to be reconditioned every year. If there is no season at all this year, ECR will have to determine if they have to be reconditioned again before the start of next year's season.

Ms. Chen asked what the permit fee was for as listed in check number 14602, and whether this was a permit to put up banners; Mr. Wood stated that he believed that is correct. We are paying the company to work with and pay the city for the necessary fee.

Ms. Chen also asked about SPACH146 and 147, and whether this was for contract work or part of the retainer; Mr. Hussey noted that this was payment on the retainer. Mr. Silverstein asked if we are using the marketing company; Mr. Hussey said yes, they have helped out with the open house and with the lottery.

Mr. Archibald asked about check 14576; Mr. Wood noted that this is for a consultant who assists in the preparation of payroll and STRS/PERS reporting. This is a consultant we have had for years.

Mr. Archibald also asked about checks 14596 and 14669, why the rate went up from $1,150 to $1,750; Mr. Wood noted that the lower amount is for base services, and the higher amount was for extra services and expenses such as fertilizer.

Mr. Archibald also asked about the various lease agreements, and whether there was a lease schedule. Mr. Wood said that contracts were for various items such as for the laptops, for the printers/copiers, etc. He will create a schedule of the leases. Mr. Silverstein asked why we have multiple contracts instead of just one vendor to handle the printers, paper, etc. Mr. Hussey stated that Mr. Wood has been working with Mr. Delgado on consolidating this.

Scott Silverstein made a motion to recommend approval of October 2020 Check Registers to the Board.

Beatriz Chen seconded the motion.

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

Roll Call	
Beatriz Chen	Aye
Brian Archibald	Aye
Scott Silverstein	Aye

C. Review of October 2020 American Express Bill

Mr. Silverstein asked why the bill still has the former CBO's name on it; Mr. Wood noted that the former CBO's name may show up as cards had previously been issued in his name, but the only active card is under Mr. Hussey's name. Also, Mr. Silverstein asked if we have looked into another credit card that provides points; Mr. Wood is still looking into this.

Ms. Chen asked about the charge on 10/3/2020 for Amazon Web Services, and whether this was a monthly fee; Mr. Wood noted that this is a monthly fee.

Beatriz Chen made a motion to recommend approval of October 2020 American Express bill to the Board.

Scott Silverstein seconded the motion.

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

Roll Call	
Scott Silverstein	Aye
Beatriz Chen	Aye
Brian Archibald	Aye

D. October 2020 Financial Update

This item was moved up to before III.A.

John Arndt of ICON School Management went over the October 2020 Financial Update. The Investment Analysis is a new slide that will be presented monthly going forward. Mr. Archibald noted that the page showed that we have a realized yield of $34K, an unrealized yield of -$27K, and payment to Cetera of $7,800. This is the fiscal year to date, not calendar year to date.

Mr. Silverstein noted that, for the OPEB Investment Account, it appears we have paid about 20% in investment fees; this is based on a total of about $520K in realized and unrealized gains, and investment fees of $108K (this is paid to Cetera, and Schwartz gets his fee from that). Based on this, the OPEB account has realized an overall gain of $3K.

In Other Matters, our 1st interim report is due from ICON to ECR by 11/23/2020, and has to be updated and submitted to LAUSD by 11/30/2020.

On the insurance expenditure v. budget, Mr. Archibald questioned why we have spent 58.5% of our budget year to date instead of 25%. This may be due to some outlays being paid out at the beginning of the year.

Mr. Archibald also asked about the repairs and maintenance for computers, why it is at 536%. Mr. Wood noted that we have some revenue offset on this, and that we would have to look into this. Ms. Chen stated that this may also include some network consulting that was required.

Mr. Archibald asked about the Banking Fees line. This includes Cetera fees. Mr. Archibald asked that there be some differentiation with Cetera fees versus normal banking fees, and noted that this appears to say that we will be significantly over budget on Banking Fees at this rate. Mr. Arndt stated this may be a timing issue, as this includes 2 quarters' fees to Cetera. Mr. Archibald stated that, even considering Cetera's fees, we should be at most at $115K, not $126K. Mr. Arndt said he would have to look further into this, and that future reports will differentiate merchant fees, standard banking fees, and Cetera fees.
Mr. Archibald stated that we are at 33% of our legal fees, and we should be aware of this. Mr. Hussey stated that we would definitely have to look into this from a budgeting standpoint because we are bargaining this year.
Mr. Archibald said that the field trip line item should be kept on the budget, but we should spend very little on field trips this year.
Mr. Archibald asked why it shows that no money has been spent on professional development to date. Mr. Hussey said that it may be how things are coded, but we have definitely had professional development opportunities, particularly at the start of the year. Moreover, some of the PD done has been done in-house.
Mr. Archibald asked if the interest expense was truly at $0; Mr. Arndt noted this was correct, particularly as we have yet to make any payments on the PPP loan.
Mr. Wood provided an update on ADA, which is currently at 96.8%. This included 410 students who identified as special education students, and 62 alternative education students. Mr. Archibald asked that this information be provided in a table format for ease of reference; Mr. Wood stated he would do so going forward.
On the LAUSD Maintenance & Operations charges, we provided 2 additional payments; as a result, LAUSD has backed off on the demand for escrow since we are continuing to negotiate the past due charges. We remitted $146K for gardening services. Last week, we paid an additional $184K to LAUSD. On the disputed items, we are disputing the amount of the charges and the inconsistency of the amounts charged.
Going forward, we are not required to use LAUSD for gardening services, so if we want to do an RFP for this, we could.
Mr. Wood also noted that he is working with the auditor since it is the new vendor's first year doing the audit for ECR; he will have the Finance Committee review the audit report before it is submitted to the entire Board . Mr. Archibald asked to have a conversation with the lead auditor; Mr. Wood stated that he would make an introduction.

IV. Closing Items

A. Adjourn Meeting

Beatriz Chen made a motion to adjourn the meeting.
Scott Silverstein 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 5:29 PM.

Respectfully Submitted,
Daniel Chang