

APPROVED



El Camino Real Charter High School

Minutes

Finance Committee Meeting

Date and Time

Thursday January 21, 2021 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/4006587798528494607>, webinar ID 816-158-211. 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 Thursday Jan 21, 2021 at 4:04 PM.

B. Record Attendance and Guests

C. Public Comments

There were no public comments.

II. Consent

A. Approve Minutes of December 14, 2020 Finance Committee Meeting

Mr. Silverstein asked if there had been any discussions regarding putting in solar panels.

Mr. Hussey stated that he has yet to discuss this, but that our roof may not be ideal for it and we would have to coordinate this with LAUSD. Mr. Silverstein also asked about the HVAC automated system at the North Campus; Mr. Hussey will follow up on this. Mr. Hussey was also questioned regarding the bleachers; Mr. Hussey stated that he would follow up with the plant manager, but this also has to be coordinated with LAUSD. Mr. Archibald requested that these matters be discussed during the next Finance Committee Meeting.

Beatriz Chen made a motion to approve the minutes from Finance Committee Meeting on 12-14-20.

Scott Silverstein seconded the motion.

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

III. Financial Review

A. December 2020 Financial Update

John Arndt of ICON School Management went over the December 2020 Financial report.

In the Balance Sheet, the increases in assets and liabilities as compared to last year is based on the reclassification of the OPEB assets. Mr. Archibald asked that beginning next year the report be presented to show the actual variance as opposed to showing the variance based on the reclassification of OPEB.

In reviewing the Profit & Loss (YTD), Mr. Archibald asked if ECR has already filed for PPP loan forgiveness; Mr. Wood responded no, as our SBA lender has yet to provide the

application for loan forgiveness. Mr. Archibald questioned whether this is a discussion that should be held, whether at the Committee or at the Board level, given that revenues have increased and expenses have increased.

On the Budget Comparison (YTD), Mr. Arndt stated that the % Used to date is a bit deceiving as a good portion of that is the adjustment for the OPEB liability. There will also be an adjustment to the capital outlay, as a mistake was made in the prior capital outlay report.

In Other Matters, the ESSER Funds is extra COVID relief funding that may be allocated to ECR. Mr. Wood noted that some of the funding have spending deadlines that extend into 2022. Mr. Archibald asked for a table identifying all the COVID funds received; Mr. Wood stated he would provide this information, including funds received and spent and the spending deadlines. Ms. Chen asked if there were restrictions on what these funds could be used for; Mr. Wood stated that the spending requirements are somewhat narrow though they do not exactly specify the exact purpose for the funds.

Mr. Silverstein asked as to line 1101 in the Income Statement, if ECR was paying stipends. Mr. Arndt replied that stipends are being paid, but that it is being included in the teachers salaries. Mr. Wood stated that typically stipends were not given a separate line, but if the Committee wanted this information, it could be provided. Stipends are, however, being paid out. Mr. Hussey noted that, for athletic stipends, since athletics have not started those stipends may be pushed to the Spring semester. There are various types of stipends, including: advanced degree stipends; stipends for additional work; athletic stipends; and stipends for department chairs. Mr. Hussey said that a list of the types of stipends could be provided. Ms. Chen asked on line 5520, whether we had used our outside security agency; Mr. Hussey said no, we have only had to use our internal safety staff.

Mr. Wood went over the Cafeteria report. Previously, we had provided a week's worth of meals at a time, so there were no hot meals. We recently started doing daily meal distributions so that hot meals could be provided. Also, we received our first commodities credit of \$3,178.89; commodities are tangible items such as food products. The total credit available is some \$200,000 which we will not be able to use all of this year, so we are trying to get the food service provider to incorporate as many commodities in their menu as possible.

Mr. Wood noted that we will be coming to the Board in about April to vote on the selection of the food service provider, as we are required to put this out for bid this year.

B. Review of Investment Portfolio

Mr. Wood discussed the investment portfolio; the header on the summary page should reflect YTD December 31, 2020.

Mr. Silverstein asked where we were in terms of our total funding for the OPEB account; Mr. Archibald believed that it should be about 48% funded. Mr. Wood noted that we will be presenting our revised healthcare costs to the actuary. The actuary's assumptions are at least a 10 year assumption.

C.

Discuss and Vote on Investment Advisor

Mr. Wood went over the process we have gone through in choosing the investment advisor firm to use. After review, staff recommends selecting Beacon Pointe as the investment advisor. Staff conducted its due diligence, including interviews with the finalists, and calling the references of Beacon Pointe (which included Cal State San Bernardino) and felt they could best meet our needs and were competitively priced. Additionally, Beacon Pointe provided an updated proposal that included a discounted fee structure. While City National Bank was an excellent candidate and gave a good presentation, we felt that Beacon Pointe's experience and size was more in keeping with our needs, and that we could work well with Beacon Pointe. Mr. Hussey noted that we would be able to get reports with relevant benchmarks that are customized to meet our needs.

Mr. Archibald asked if the faculty and staff were allowed an opportunity to review the materials and ask any questions that they may have had. Mr. Wood noted that the staff was provided the materials, but we have not received any feedback. Mr. Silverstein stated that staff should have been afforded an opportunity to be involved in the interviews if they wanted to, and to ask questions that they wanted answered. Until staff have had a chance to be involved in the process, Mr. Archibald suggested that we put this over until the February Finance Committee meeting.

This matter was tabled until the February Finance Committee meeting.

D. Review of December 2020 Check Registers

The December 2020 check registers were reviewed.

Ms. Chen asked if the AT&T lines could be consolidated. Mr. Wood noted that staff has been working on this. Mr. Hussey stated that we are also working on an audit as some of the lines are holdovers from LAUSD time. Mr. Hussey stated that he would get an idea as to when this will be completed, and report to the Committee.

Mr. Archibald asked about check 14853, why the payment to Eastbay Team Sales only says "Budget." It was noted that the description line had been pushed up to the prior line item, and that it was for helmet reconditioning for lacrosse.

Scott Silverstein made a motion to recommend approval of the December 2020 check registers to the Board.

Beatrix Chen seconded the motion.

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

Roll Call

Beatrix Chen Aye

Scott Silverstein Aye

Brian Archibald Aye

E. Review of December 2020 American Express Bill

Beatrix Chen made a motion to recommend approval of the December 2020 American Express bill to the Board.

Scott Silverstein seconded the motion.

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

Roll Call

Beatriz Chen Aye

Scott Silverstein Aye

Brian Archibald Aye

F. Discuss and Vote on New Credit Card

Mr. Wood went over the proposed new credit card that ECR would like to apply for through US Bank. Mr. Wood noted that AMEX charges an annual fee and offers no rewards. The US Bank card is more customizable, and has a rebate incentive program, including a rebate of some of the interest charges for prompt payment, volume incentive, and for using certain vendors.

Mr. Archibald asked that this be tracked closely going forward if this credit card is approved; Mr. Wood replied that we can provide this information.

If this approved, we would cancel the AMEX account.

Mr. Silverstein noted that with AMEX, interest does not begin accruing on a purchase until the payment due date, but with this card whether interest begins accruing right away on a purchase. Mr. Wood stated that it is his understanding that interest does not accrue if the entire balance is paid off in full within the 45 day limit.

Mr. Silverstein asked if we could charge large items, such as \$300K worth of textbooks, on this card. Mr. Wood responded that we could, though we may have to work with US Bank to get a large item approved.

Mr. Silverstein asked if we would be getting a more detailed report from this new credit card; Mr. Wood stated that there were more customizable reports that we could get from US Bank.

Scott Silverstein made a motion to recommend approval of the new credit card through US Bank to the Board.

Beatriz Chen seconded the motion.

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

Roll Call

Scott Silverstein Aye

Beatriz Chen Aye

Brian Archibald Aye

IV. Closing Items

A. Adjourn Meeting

Beatriz Chen made a motion to adjourn the meeting.

Brian Archibald 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 5:47 PM.

Respectfully Submitted,
Daniel Chang