APPROVED

El Camino Real Charter High School

Minutes

Finance Committee Meeting

Date and Time
Thursday March 18, 2021 at 4:00 PM

Location
VIRTUAL COMMITTEE 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/1941827008682236944, webinar ID 475-243-211. 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 Mar 18, 2021 at 4:04 PM.

B. Record Attendance and Guests

C. Public Comments

There were no public comments.

II. Consent

A. Approve Minutes of February 18, 2021 Finance Committee Meeting

Scott Silverstein made a motion to approve the minutes from Finance Committee Meeting on 02-18-21.
Beatriz Chen seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call	
Beatriz Chen	Abstain
Scott Silverstein	Aye
Brian Archibald	Aye

III. Financial Review

A. February 2021 Financial Update

John Arndt of ICON School Management and Greg Wood went over the February 2021 Financial Update.
On the Investment Analysis, Mr. Silverstein asked if we were still with Cetera/Schwartz, and whether the investment fees listed are in line with what they should be. Mr. Wood indicated yes, we are still with Cetera/Schwartz but are in the process of making the transition, and the fees are in line.
Mr. Silverstein asked if the deferrals have been scheduled. Mr. Wood stated that the first round of deferrals did go into effect in February, and as a result we will be owed a large amount in June.
Mr. Archibald asked why the Cash Analysis for this report did not include the 5% cash reserve; Mr. Wood noted that it was a recommended reserve amount, but that it is not a

segregated fund. Until the Board decides what a sufficient cash reserve should be, Mr. Wood elected not to include it on the report.
Mr. Silverstein stated that the Finance Committee could not make a recommendation to the Board as to what the cash reserve should be, unless staff made a recommendation.

B. Review and Vote on 2nd Interim Financial Report

Mr. Wood went over the 2nd Interim Financial Report. The Report shows a total deferral of $9.185M, some of which should be coming in June. There is nothing in the Governor's budget that indicates the deferrals will not be coming. Mr. Wood has been working with the actuary, and we have received a draft of the actuarial report based upon updated healthcare and OPEB information. The preliminary amount given by the actuary is $35.2M needed to fully fund the OPEB account, including all projections. Mr. Archibald stated that it would be an important conversation with Beacon Pointe as to what the optimum rate of funding should be in order to meet this goal. Mr. Silverstein asked if the actuary was independent of the advisor; Mr. Wood replied yes.
Mr. Wood stated that the Form 62I was the form submitted to LACOE that has more detailed information that is summarized in the actual 2nd Interim Financial Report.
Mr. Wood also shared the report for Special Education; it shows a total encroachment of $2.7M. This is slightly less than last year's encroachment of approximately $3M. He stated that he believes the $2.7M is appropriate for our total special education population.
Mr. Silverstein asked if this number was skewed due to COVID; Mr. Wood stated that if we were in person, we may be closer to the prior $3M number, but we are continuing to provide services to our special education population. Mr. Hussey stated that we may end up owing some services which will have to be made up in the next school year. Mr. Silverstein asked if we were expecting more funding next year; Mr. Wood stated that funding is not scheduled to go up significantly, perhaps 1% to 2% based on preliminary reports.
Mr. Silverstein asked regarding segregation of funds, whether funds for matters such as Shoup or capital projects were being segregated or being taken out of the general fund.
Mr. Wood noted that we have begun the process for creating a capital budget, and that each capital project was being assigned a budget which would be segregated. This will be presented as part of the 2021-2022 budget which will be presented to the Board at a future date, possibly a preliminary version in May with the final to be presented in June.
Mr. Hussey noted that we could even present the preliminary budget in April. Mr. Archibald suggested that capital projects be submitted to the Board for review and recommendation in April, though the preliminary budget can be submitted to the Committee in April.
Beatriz Chen made a motion to recommend approval of the 2nd Interim Financial Report to the Board.
Scott Silverstein seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call
Brian Archibald Aye

Roll Call

Scott Silverstein	Aye
Beatriz Chen	Aye

C. Review of Investment Portfolio

Mr. Wood went over the investment portfolio, which shows a total of $18,653,477 in the OPEB account and $7,545,186 in the General Account, as of the end of February 2021. In terms of transitioning to Beacon Pointe, we have been informed that Beacon Pointe is prepared for, and Schwartz has been advised of, the change. One requirement for Beacon Pointe is that the corporate trustee be in place, and we have yet to receive the agreement from US Bank (the trustee recommended by Beacon Pointe). Until we have the US Bank documents in place and have had a chance to review, we would not be able to transition everything over to Beacon Pointe.
Mr. Chang stated that we just received the documents from US Bank, and that they will be reviewed and hopefully be presented at the Regular Board Meeting.
Mr. Archibald asked that Beacon Pointe be present at the next Finance Committee meeting to discuss investment strategy.

D. Review of February 2021 Check Registers

The February 2021 check registers were reviewed. Ms. Chen asked if the consultant for the AT&T lines had been able to help; Mr. Hussey noted that we will be able to disable 9 of the lines, and on 5 of the lines we are going to CalNet, which will give us a 50% savings. Overall, this would be a savings of at least $1,500 per month. More detail will be provided at the Regular Board Meeting.
Mr. Archibald asked if it was possible to have a year-to-date version of the check registers spreadsheet pivot table, so that trends can be seen. Mr. Wood said yes, and that he would provide a summary by vendor.
Mr. Archibald asked about

Beatriz Chen made a motion to recommend approval of the February 2021 Check Registers to the Board.
Brian Archibald seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call

Brian Archibald	Aye
Scott Silverstein	Abstain
Beatriz Chen	Aye

E. Review of February 2021 American Express Bill

Mr. Wood went over the February 2021 American Express bill. He noted that there were no large or unusual expenditures. He also noted that no new spending will occur on the AMEX card, and we are trying to get all recurring charges switched over to the US Bank card. It may take another month to get everything moved over. Mr. Wood stated that the

next summary will include any lingering charges for AMEX as well as new charges on the US Bank card.
Beatriz Chen made a motion to recommend approval of the February 2021 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 Status of CARES Act Funding

Mr. Wood went over the CARES Act Funding to date. He noted that we would prioritize those funds that have an upcoming deadline, in particular the GF Fund which has a deadline of 06/30/2021.
Mr. Archibald noted that the document shows that there is about $6M in funding, the $3.3M received to date and the $2.7M in ESSER III estimated to be received. In addition to this, we have close to $4M in PPP funding obtained. Mr. Archibald stated that we would not have received the PPP loan absent COVID, and noted that we applied for the PPP loan due to uncertainties regarding the impact of COVID.

IV. Closing Items

A. Adjourn Meeting

Scott Silverstein made a motion to adjourn the meeting.
Beatriz Chen 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 5:25 PM.

Respectfully Submitted,
Daniel Chang