APPROVED

El Camino Real Charter High School

Minutes

Finance Committee Meeting

Date and Time
Thursday June 17, 2021 at 4:10 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/2397454733595600399, webinar ID 739-245-515. 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 David Hussey, in person, by email at comment@ecrchs.net, or by calling (818) 595-7500.

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

Committee Members Absent
None

Guests Present
David Hussey (remote), Emilie Larew (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 Jun 17, 2021 at 4:12 PM.

B. Record Attendance and Guests

C. Public Comments

There were no public comments.

II. Consent

A. Approve Minutes of May 25, 2021 Finance Committee Meeting

Beatriz Chen made a motion to approve the minutes from Finance Committee Meeting on 05-25-21.
Scott Silverstein seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call	
Scott Silverstein	Aye
Brian Archibald	Aye
Beatriz Chen	Abstain

III. Financial Review

A. May 2021 Financial Update

John Arndt from ICON presented the May 2021 financial report. He reviewed the balance sheet, which shows a significant increase in cash as compared to last year, primarily due to investments and the state aid deferrals. The balance sheet also includes the 3% economic uncertainty as a net asset; Mr. Archibald stated that he believed the Committee had discussed removing this. Mr. Arndt replied that the economic uncertainty amount had previously been listed under cash, but it should have been listed as a net asset. The cash flow was reviewed. Cash analysis was reviewed, with 151 days of cash on hand. Total cash is expected to be a little over $15 million on June 30th. The new account that was approved for automatic transfer of funding is in place and funds will be electronically transferred from LA County, which will improve cash flow. Investment Analysis as of May 31st was reviewed. The Profit and Loss Summary was reviewed. Operational expenses are down due to COVID-19 and there is additional funding this year from the CARES Act

and other sources due to COVID-19. The year-to-date expenses were reviewed, which is currently at 78%.

B. Review of Investment Portfolio

Mr. Hussey reviewed the investment portfolio's progress. Cetera is asking that the trust be amended to reflect the new trustees; ECR will have to get outside counsel to assist with that. Mr. Wood is working with Beacon Pointe to transfer everything over to them. The annuities will be moved, but not liquidated at this time due to penalties.

C. Review of May 2021 Check Registers

The May check registers were discussed. Ms. Chen asked a few questions, including about the Shoup sidewalk repair, temperature measurement system costs, and network engineering costs. Mr. Silverstein asked about what requirements must be met for expenditures to appropriately fall under the ASB account. The are multiple sports and clubs whose funds fall within the broader ASB account.
Scott Silverstein made a motion to recommend approval of the May check registers to the full Board.
Beatriz Chen seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call	
Beatriz Chen	Aye
Brian Archibald	Aye
Scott Silverstein	Aye

D. Review of May 2021 Credit Card Bills

The credit card bills were reviewed.
Scott Silverstein made a motion to recommend approval of the May 2021 credit.
The committee **VOTED** unanimously to approve the motion.

Roll Call	
Beatriz Chen	Aye
Brian Archibald	Aye
Scott Silverstein	Aye

E. Review and Vote on 2021-2022 Budget

This item was moved up to follow Item III.A.
The 2020-2021 estimated actuals were reviewed. The impact of the actuarial study, including a $3 million dollar adjustment that was not expected, were discussed. Mr. Arndt and Mr. Wood reviewed the 2021-2022 budget assumptions and projections. Under revenues, LCFF Sources were discussed and this revenue is expected to be up by approximately 8%. Federal and state revenue are expected to be down due the significant additional CARES funding resulting from the pandemic that were one-time funds. There are various sources and timelines for use of the CARES funds. Certificated

salaries going up due to CARES funding and Extended Learning Opportunities (ELO) funding. Mr. Archibald asked about the assumptions underlying the increase. This line includes new hiring to lower class sizes and filling open positions that already exist. For any open positions covered by a substitute, the costs are changing location in the budget but are not actually a new cost. Ms. Chen asked about the administrator position left unfilled this year following Ms. Ring's retirement and Mr. Hussey confirmed it will be filled for the coming school year. Consulting costs include adding 10% more paraprofessionals as required to receive the CARES funding and adding a second PSW. Costs for substitutes and field trips are expected to resume at a more typical level. For the longer term projections, the new investment company is more conservative and smaller balance swings are expected with the investments. Mr. Archibald noted that he sees an organization's budget as reflecting their future vision and asked how the vision for 2 or 3 years out is reflected in this budget. Mr. Hussey noted the increase in certificated expenses that are resulting from the efforts to decrease class size and ways the planned budget supports academic achievement and college and career readiness. Mr. Silverstein noted the need for more classrooms for teachers and long-term planning and budget impact resulting from the need for capital improvements, as well as the extended process of working with LAUSD and meeting their requirements for changes to the facility. The committee discussed the creation of a deferred maintenance fund with reserves to support long-term needs. A separate account has not been set up for this yet. Mr. Wood discussed that it would be based on needs identified in the plan for capital projects that is currently being developed. Mr. Hussey noted that RFPs/RFQs will need to be sent out to get a more realistic idea of the actual costs of some of the larger projects. Mr. Archibald asked for a timeline of when the proposed accounts and costs will be presented to the committee and/or the Board. Mr. Hussey said that he will present information at the August meeting. Departmental budgets for instructional materials and textbooks were set based on specific departmental needs and the number of FTEs teaching in the department.

Beatriz Chen made a motion to recommend approval of the 2021-2022 budget to the full Board.

Scott Silverstein seconded the motion.

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

Roll Call

Beatriz Chen	Aye
Scott Silverstein	Aye
Brian Archibald	Aye

F. Review and Vote on Chartwells Food Service Contract

Though contracts are commonly 5 years, the CDE is requiring a contract this year with specific provisions. Mr. Wood noted that he had some information regarding the staffing level / schedule included in the contract. Any other provisions would need to be done as a side agreement with the vendor.

Beatriz Chen made a motion to recommend approval of the Chartwell Food Service Contract to the full Board.
Scott Silverstein seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call	
Beatriz Chen	Aye
Brian Archibald	Aye
Scott Silverstein	Aye

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 5:46 PM.

Respectfully Submitted,
Emilie Larew