APPROVED

El Camino Real Charter High School

Minutes

Finance and Investment Committee

Date and Time
Thursday June 16, 2022 at 5:00 PM

Location
Library Media Center - Main Campus

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).

ATTENTION:

WE HAVE RETURNED TO "IN-PERSON" FINANCE AND INVESTMENT COMMITTEE MEETINGS

INSTRUCTIONS FOR PRESENTATIONS TO THE BOARD BY PARENTS AND CITIZENS:

El Camino Real Alliance ("ECRA") welcomes your participation at ECRA's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") 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 door to 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 Board can only listen to your issue, not respond or take action.

These presentations are limited to ***two (2) 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 Board, shall be permitted twice the allotted time to speak.

The Board 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 Board on Agenda items. With regard to such agenda items, you may specify the item(s) on your “Request to Speak” form and you will be given an opportunity to speak for up to three (3) minutes before the item is addressed, 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 Board, shall be permitted twice the allotted time to speak, and the total allocated time shall be appropriately increased as well.

4. When addressing the Board, speakers are requested to state their name and adhere to the time limits set forth. In order to maintain allotted time limits, the Board 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 Board 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.

IMPORTANT NOTE REGARDING PUBLIC COMMENTS:

Effective May 19th, 2022, public comments presentations at all ECRA Regular and Special Board Meetings and Committee Meetings must be made in person.

There is no obligation on the part of the school to have a school official read public comments during in-person Board Meetings.

A member of the public is welcome to appear at the Board meeting to make a public comment or make arrangements with another person in attendance to speak on the person's behalf.

Consent Agenda: All matters listed under the consent agenda are considered by the Board to be routine and will be approved/enacted by the Board in one motion or more motions in the form listed below. Unless specifically requested by a Board member for further discussion or removed from the agenda, there will be no discussion of these items prior to the Board vote(s) on the Consent Agenda item(s). 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 David Hussey, in person, by email at comment@ecrchs.net, or by calling (818) 595-7500.

Committee Members Present
Alexandra Ramirez, Daniela Lopez-Vargas, Danielle Malconian

Committee Members Absent
None

Guests Present
David Hussey, Gregory Wood, John Arndt (remote), Kurt Lowry, Minita Clark

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I. Opening Items

A. Call the Meeting to Order

Danielle Malconian called a meeting of the Finance and Investment Committee Committee of El Camino Real Charter High School to order on Thursday Jun 16, 2022 at 5:00 PM.

B. Record Attendance and Guests

Quorum established.

C. Pledge of Allegiance to the United States of America (USA)

Mr. Hussey led the Pledge of Allegiance to the United States of America (USA).

D. Public Comments

No requests for public comment were received.

II. Consent

A. Approve Minutes of May 19, 2022, Finance and Investment Committee Meeting

Daniela Lopez-Vargas made a motion to approve the minutes from Finance and Investment Committee Meeting on 05-19-22.
Alexandra Ramirez seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call	
Alexandra Ramirez	Aye
Daniela Lopez-Vargas	Aye
Danielle Malconian	Aye

III. Investment

A. Investment Update

Mr. Wood, CBO, provided the investment update, with highlights as follows:

* There are two accounts, the general and the OPEB.

* In May, the OPEB was approximately $200K ahead of April
* In our GENERAL account, including our annuities, the balance is about $7M, for a combined $28.5 Million.

* These accounts are suffering from gen. market conditions; as of today, OPEB is at $20.3M down about $1.3M and the GENERAL Account is down approximately $300K.

IV. Finance

A. May 2022 Financial Update

Mr. Wood, CBO, and Mr. Arndt, of ICON School Management, provided the May 2022 investment update, with highlights as follows:

Mr. Arndt's presentation:

Balance Sheet slide:

• Cash has increased approximately 14% due to 20- 21 One-Time Funds, PPP Loan, and 20-21 Deferral Payments
• State overpaid with Deferrals and will reduce cash for 21-22 LCFF ($2M)
• LT-Debt decreased due to FMV adjustment to OPEB Accounts as well as PPP Loan being forgiven.
• Restricted Net Position:
• Lottery - $233,711
• ELO - $733,967
• ELO PP - $239,972

Cash Analysis Slide:

* Recommend 3 months of cash on hand; we've got 186 Days of Cash on Hand
* Chart on Right side of slide: Cash started back on June 30th, 2021, balance of approx. $25M and dropped to approx. $15M in July because we cashed out of our old investments.
* Chart on Left shows all cash positions

Profit & Loss Summary Slide:

* Shows Revenues and Expenses comparisons between Adopted budget, 1st Interim Budget, 2nd Interim Budget (most current position), and YTD and Prior YTD (PYTD) comparisons.
* Reviewed Net income (Loss) and Net Income Before Fair Market Value Adjustment positions between each budget.

Ms. Malconian asked Mr. Arndt if he sees the account ending nearer the 2nd Interim Budget or at the YTD position (a net loss/deficit), and Mr. Arndt replied that he would like to look at the financials to the budget and he'll answer that question at the point in the presentation.

Profit and Loss (YTD) Slide:

* Revenues down about 14.50% and Expenditures up about 19.25%
• 21-22 Tuition Revenue has increased causing Local Revenues to be higher than prior FY.
• In-Person Instruction and Sport Activities will incur additional expenses with the re-opening of School
• Additional CARES Related expenses for 21-22 will also increase expenses.
• 2% Off-Schedule Payroll Stipends paid May ‘22
• Employee Benefits decrease due to STRS Refund in December for EE/ER contributions made in prior year for DBS Earnings.

Budget Comparison (YTD) Slide:

Mr. Wood noted that this slide will answer Ms. Malconian's earlier question during P&L Summary Slide Presentation.
* Expecting 4th Quarter EPA of $2.7M plus additional LCFF Funding
• Lottery Amounts went from $150 – Unrestricted / $49 – Restricted to $163 – Unrestricted / $65 – Restricted (more revenue)
• SPED Rates are projected to increase from the $689 – State/ $267 – Federal (more revenue)
• Lower Enrollment/ADA from 21-22 Adopted Budget (approx. 152 ADA/$1.6M less).
* Based on current 80% of expected revenue received and based on approximately 92% of Expenditures, Mr. Arndt believes we will come close to our 2nd Interim Budget Projected Net Income position and not end the year June 30th in a negative position.

Mr. Wood noted an expected EPA $2.7M and additional LCFF Funding.

Ms. Malconian asked if there are $4M in expenses left, to which Mr. Wood replied in the affirmative, noting it is approximately 11/12 of the expected expenditures. Noted salaries and benefits and books and supplies, some of which are eligible for categorical funding.

June 30th, 2022, is end of fiscal year and in August, 2022, the organization will be preparing the unaudited actual budget numbers.

Department Budgets (4000s) Slide:

Textbooks and Instructional Materials in certain departments will continue to be monitored due to the need of purchasing more materials in order to continue higher educational standards.
• Board has approved 22-23 Budget allocations for Textbooks and IMA in May 2022. Department by department.
We've got expenditures of roughly $245K in Textbooks and Core Curricula Materials, and $353K in IMA and Supplies.
* We conducted an extensive departmental budgets based on requests and actuals; we will be data-driven going into next year.

Ms. Malconian noted that these two categories need to be funded, to which Mr. Wood and
Mr. Hussey agreed, noting that this process will be able to look at what departments really need.

Mr. Wood noted that we have the budget updates for 2022-2023 and we'll review the budget update later in this meeting.

Other Matters Slide:

* Detailed Budget updates for 2022-2023 will be presented separately to the Finance Committee and Charter Board.

• Preliminary OPEB information being finalized with the Actuary in June 2022.

* Mr. Wood noted that the final pages include detailed budget account information and comparative financial information.

ASB Account Review:

* Mr. Wood reviewed the ASB Trust Balances document with highlights as follow:

* Total Trust Accounts $486,420.90
* ASB Revenue through 5/31/22 = $87,053.29
* ASB Expense through 5/31/22 = $47,741.30
Net unrestricted ASB = $39,311.99
Total as of 5/31/22 = $525,732.89

Total end bank balance = $525,732.89

Ms. Malconian asked if those sports programs that have a large trust balance are saving up for a large purchase or if they prefer to maintain a large balance, to which Mr. Wood replied that some programs have larger balances than others, and some of these sports teams may have a banquet, spend money on the field, and tournaments (baseball), and drama has outside consultants, etc.

Ms. Malconian asked that we keep in mind those teams that maintain a high balance while continuing to ask parents to raise funds.

Dr. Lowry noted, too, that the trust accounts funds are considered "carryover" funds, so residual balances from previous years carryover year to year.

Mr. Hussey noted, too, that money raised should be spent within four years such that the students receive the benefit of the fundraising within their high school careers.

B. Review of May 2022 Check Registers

Danielle Malconian made a motion to recommend the full board approve the May 2022 Check Registers.
Alexandra Ramirez seconded the motion.
Mr. Wood reviewed each check register prior to the vote.
The committee **VOTED** unanimously to approve the motion.

Roll Call	
Danielle Malconian	Aye
Alexandra Ramirez	Aye
Daniela Lopez-Vargas	Aye

C. Review of May 2022 Credit Card Charges

Alexandra Ramirez made a motion to recommend the full board approve the May 2022 Credit Card Charges.
Daniela Lopez-Vargas seconded the motion.
Mr. Wood reviewed the credit card charges prior to the vote.
The committee **VOTED** unanimously to approve the motion.

Roll Call	
Daniela Lopez-Vargas	Aye
Alexandra Ramirez	Aye
Danielle Malconian	Aye

D. Discussion and Vote on ICON School Management Contract Renewal

Danielle Malconian made a motion to recommend the full board approve the contract renewal for ICON School Management Services.
Alexandra Ramirez seconded the motion.
Mr. Wood led a discussion and overview of ICON's services and contract renewal prior to the vote.

Specific compension/contract terms include:

A. Contract Term: July 1, 2022, through June 30, 2023 (12 months) o

* The contract term between ICON School Management and El Camino Real will be for 12 months.

B. ICON is offering El Camino Real Charter High School a substantially discounted fee structure from the standard management pricing model:

* $96,000 for the fiscal year, paid in equal monthly installments equal to $8,000 per month.

Ms. Lopez-Vargas asked Mr. Wood about the possibility of moving these services "in-house," to which Mr. Wood noted that this might happen eventually, but for now, we are benefitting from ICON's services as a second set of eyes on our finances as additional subject matter experts in support of the organization.

Mr. Hussey noted that Mr. Wood was able to negotiate a price reduction during the past two years for ICON's services ($130K to $96K and continuing at the $96K amount if approved.
The committee **VOTED** unanimously to approve the motion.

Roll Call

Daniela Lopez-Vargas	Aye
Danielle Malconian	Aye
Alexandra Ramirez	Aye

E. Discussion and Vote on CharterSAFE Contract Renewal

Daniela Lopez-Vargas made a motion to recommend the full board approve the contract renewal for CharterSAFE.
Danielle Malconian seconded the motion.
Mr. Wood provided an overview of the CharterSAFE Executive Report and Proposal and package of services/Member Contribution Summary and Coverages (WC, liability, and other lines of insurance) and costs prior to the vote.

Net expense of $731K, including a $30K COVID-19 rebate.

Mr. Wood noted that a previous provider, Gallagher, affirmed that this is the market (rate/cost) for such services.

Liability is 10% increase due to increase in child abuses, and claims have gone sky high.

I recommend CharterSAFE.

Dr. Lowry noted that CharterSAFE's services are beneficial and that he had in fact been on the phone with a CharterSAFE director regarding with whom we are currently working on a variety of matters.

Ms. Lopez-Vargas asked if CharterSAFE provided the annual trainings, to which Dr. Lowry replied that we offer the annual training modules through Vector Solutions.

Mr. Wood noted that CharterSAFE does offer modules and trainings available on a variety of topics.

Ms. Malconian asked if we met compliance guidelines to qualify for a rebate, including sexual harassment/child abuse, and dual authentication for security. Mr. Wood noted that we did not meet the dual authentication requirement.
The committee **VOTED** unanimously to approve the motion.

Roll Call

Daniela Lopez-Vargas	Aye
Alexandra Ramirez	Aye

Roll Call

Danielle Malconian	Aye

F. Discussion and Vote on 2019-2020 Yearbook Write-Off

Danielle Malconian made a motion to recommend the full board vote to write off the expense of 301 2019-2020 yearbooks that went unsold due to the COVID-19 pandemic.
Daniela Lopez-Vargas seconded the motion.
Mr. Wood discussed this item prior to a vote, including the possibility of writing off the expense with CARES ACT Funding because the COVID-19 pandemic directly and adversely impacted the sale of the yearbook.

Committee discussed additional discounted sales opportunities for students (possible $50.00 per yearbook) and the need for coordinated communications related to these efforts.
The committee **VOTED** unanimously to approve the motion.

Roll Call

Danielle Malconian	Aye
Daniela Lopez-Vargas	Aye
Alexandra Ramirez	Aye

V. School Business

A. Cafeteria and 2022-2023 Budget Updates

Mr. Wood, CBO, provided the Cafeteria and 2022-2023 budget updates, with highlights as follows:

* Total Meals Served 285,965
* Projected FY22 - 277,730
. Ave. Meals /Day 1,543 1,563 1,022
. Fed. Reimbursements = $1,021,375
. State Reimbursements = $71,119
. Total Revenue - $1,195,631
. total Expenes - $1,021,004
Net Gain $174,627

Funding to support Cafeteria Upgrades to enhance the overall experience, including materials, staffing, etc.

PO has gone out for some of these upgrades to cooking equipment. Contractors, etc., for Shoup, in process.

B. Discussion and Vote on Local Control Accountability Plan (LCAP) 22-23 Proposed Goals and Actions

Alexandra Ramirez made a motion to recommend that the full board approve the 22-23 Proposed LCAP Goals and Actions.
Danielle Malconian seconded the motion.
Ms. Clark provided a review of the LCAP document changes since the Special Board Meeting of June 2nd, 2022.

counselor
Marketing Person

We have money set aside

$1.1M textbooks and supplies

$125K for marketing person

Ms. Malconian asked for clarification as to whether or not the marketing budget item is for a person or a firm, to which Ms. Clark confirmed that it is for an on-site person. Mr. Wood and Mr. Hussey affirmed that the parents requested communication.

Furniture is another investement - $500K (p. 40)

New hires, marketing, two part time EL assistants to support EL students;

Parent and teacher requested to get more on-site security to increase safety.

Adding additional PSW for a total of two.

Expanding the Wellness Center and beautifying it.

Student mentoring, PD, restorative justice

Peer counselors/Wellness on certain mental health (workshops, etc.)

Attendance and SRM to track attendance.

Mr. Wood reviewed the LCFF overview for parents, including the following highlights:

. $38,575,151 Total LCFF
. Federal Funds - $3.6M
. All Local Funds $4.7M
. All Other State funds $1.4M

All other LCFF Funds $36M
LCFF Supplemental & Concentration Grants ($2.5M)

The text description for the above chart is as follows: The total revenue projected for El Camino Real Charter High School is $48,321,626.00, of which $38,575,151.00 is Local Control Funding Formula (LCFF), $1,439,530.00 is other state funds, $4,697,685.00 is local funds, and $3,609,260.00 is federal funds.

Of the $38,575,151.00 in LCFF Funds, $2,479,078.00 is generated based on the enrollment of high needs students (foster youth, English learner, and low-income students).
The committee **VOTED** unanimously to approve the motion.

Roll Call	
Alexandra Ramirez	Aye
Danielle Malconian	Aye
Daniela Lopez-Vargas	Aye

C. Discussion and Vote on Proposed 22-23 ECRCHS Budget

Danielle Malconian made a motion to recommend the full board approve the 22-23 ECRCHS proposed budget.
Alexandra Ramirez seconded the motion.
Prior to the vote, Mr. Wood, CBO, led a discussion on the proposed 22-23 previewed the School Service of CA Charter School Financial Projection Dartboard 22-23 May Revision document, a summary of what districts use for their long-term planning based on economic indicators, and other planning factors, including LCFF, CalSTRS, and CalPERS. CalSTRS will level and CalPERS may eventually decrease.

Mr. Wood then provided an overview of LACOE's related bulletin, and noted, too, that School Services of California, CASBO, and other organizations, all provide information to schools and districts to use to inform them as they build school budgets. He noted that he wanted to provide assurance to the organization that the budget is based on information and data provided by a variety of sources.

Ms. Malconian asked whether or not the budget reflects any one of the potential "hold harmless" attendance formulae. Mr. Wood, provided an overview of the Budget, noting that it is a conservative budget outlook based on raw numbers and enrollment projections based on ADA projections.

Ms. Lopez-Vargas aseked if the attendance rate assumption is not as low as this year but not as high as pre-pandemic levels, to which Mr. Wood replied in the affirmative. We're in the middle, about 94%.

Mr. Hussey noted that there will more strict attendance consequences, noting that students' eligibility to attend certain activities will be based on their school attendance. He noted that the plan is to promote the plan early next school year.

Mr. Arndt, of ICON School Mgt., then provided an overview of the 2022-2023 Budget proposed (Form 62) Expenditures by Object, with highlights as follows:

Revenues: $48.3M Proposed (Mr. Wood noted the connection to the pie charts from the previous LCAP documents)

Expenses: Increases in salaries, furniture experiences, have factored in new positions, LCAP-based positions, all other expenses factored.

Special Ed. program increases; no actual reference on the report, but are considered "pass through," State Sp. Ed. Funding is AB 602; and Fed. is IDEA; our funding comes through LAUSD; property taxes, too.

This form provides a detailed breakdown on these pages.

CA legislature should provide a budget by June 30th at this point.

Mr. Hussey noted that if enrollment drops, we'd lower class size.
There are different ways of lowering class sizes.

Mr. Wood noted that ECRCHS will report if there are any material changes over the Summer.
The committee **VOTED** unanimously to approve the motion.

Roll Call	
Danielle Malconian	Aye
Daniela Lopez-Vargas	Aye
Alexandra Ramirez	Aye

VI. Closing Items

A. Adjourn Meeting

Alexandra Ramirez made a motion to adjourn the meeting.
Daniela Lopez-Vargas seconded the motion.
Meeting adjourned at 6:28 p.m.

Voice Vote unanimous for adjournment.
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 6:28 PM.

Respectfully Submitted,
Kurt Lowry