APPROVED

El Camino Real Charter High School

Minutes

Finance and Investment Committee Meeting

Date and Time
Thursday November 10, 2022 at 5:00 PM

Location
Main Campus - Grieb Theater

The Finance and Investment 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 OTHER MEETING ATTENDEES:

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 September 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, Danielle Malconian

Committee Members Absent
Daniela Lopez-Vargas

Guests Present
David Hussey, Gregory Wood, Kurt Lowry, MBreller@beaconpointe.com, a.llyas@ecrchs.net

---

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 Nov 10, 2022 at 5:11 PM.

B. Record Attendance and Guests

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

Mr. Wood, CBO, led members and guests in the Pledge of Allegiance to the United States of America (USA).

D. Public Comments

There were no requests received for public comment(s).

E. CBO Report

Mr. Wood, CBO, provided his CBO report, with highlights as follows:

* Cafeteria continues to exceed budgetary and participation expectations. We continue to record record revenues on a monthly basis. In October, we netted $62,500 with participation up 58% when compared with the same time last year. Looking forward to additional equipment funding ($100K) and then based on prior year ADA free and reduced is another $90K for equipment and training; designer architect is doing a reconfiguration proposal (inside and student bench areas); offering new menu items, great communication lines; Dec/Jan thinking of inviting Chartwells and/or architect out for a presentation of modernization conceptual design, etc.

* ADA attendance and enrollment by grade level and categorical student groups; Mr. Wood noted that ADA is how we are funded; possible presentation

* Continuing work on auditor report with outside auditors; due to State by December 15th; LAUSD CSD had wanted information by November 15th; they will review and forward to LACOE who will then forward to the State.

* Notes Ms. Ilyas and he have attended webinars relative to various items, CARES, etc. Just attended webinar regarding learning recovery grants and arts music grant.

II. Consent

A. Approve Minutes of September 15, 2022, Finance and Investment Committee Meeting

Danielle Malconian made a motion to approve the minutes from Finance and Investment Committee Meeting on 10-20-22.
Alexandra Ramirez seconded the motion.
The committee **VOTED** to approve the motion.

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

III. Investment

A. Investment Update

Mr. Wood, CBO, and Mr. Breller, Beacon Pointe Investment Advisor, presented the Investment Update, with highlights as follows:

OPEB:

Mr. wood noted that the October OPEB balance increased from $19,713M to $20,842M based on investment gains plus a double contribution in October; As of 11/7/22, the OPEB balance is $20,684M.

Gen. Acct.:
US Bank Holdings balance $5.79M.

End of month through Oct Investments down 2.4% up overall up 1.9% due to contributions.

Portfolio transfers due to performance:
* $725K from Polen into Beacon Pointe Account (OPEB)
* $125K from Polen into Beacon Pointe (Gen. Acct.)

Mr. Breller presented an overview of Q3 performance slides, with highlights as follows:

* p.1 of slide presentation for Q3; S&P down 5%, stocks and bonds losses; termed it the worst 60/40 portfolio he's seen; pandemic, fiscal stimulus; inflation, monetary policy rate hikes came together for a "perfect storm" that adversely impacted both stocks and bonds; this is really the worst we should see short-term.

* p. 2 - we were in a period of financial repression but repression policies are on pause in order to fight inflation with higher interest rates; fiscal policy is therefore in reverse, economy is slowing, with the chance of recession increasing; risk assets will remain challenged accordingly; while inflation is uncomfortably high, inflation expectations are well-anchored; therefore, the Fed. will continue to tighten financial conditions until inflation is subdued; higher interest rates and economic slowdown continue to support a rotation out of U.S. large Cap Growth stocks and into U.S. Large Cap value. Fed. policy has produced attractive Core Bonds yields. Alternative investments can help reduce volatility, diversity portfolios, and add "uncorrelated" returns.

* p. 3 - reviewed the portolio OPEB
Market value, percentage of porfolio, and then returns for a period; 1 year mark with Beacon Pointe; policy index reflects 60/40 stocks and bonds, respectively. Gray bars represent equities asset classes, growth, value, etc. Domestic and intl. are subsets.; it's

our fiduciary responsibility to ensure that we invest within the policy statement/ranges based on the risk profile of portfolio expectations.

OPEB 5.5% decline
Additional comments:

* made some shifts to reduce risk while increasing returns;
* Alternative investments provided less correlated performance and reflect slightly lower decreased returns when compared to overall portfolio; reduced volatility.
*Polen noted that consumer staples were too expenses; not terminating the manager, but trimmed to put into our passive equity strategy (core equity passive strategy - S&P 500).

Good News:
* October brought another 3-5% increase; Polen significant increase in one day;

Gen. Acct:

* p. 7 - 4-5% income payments starts to pay off some of the losses; all investments are within policy ranges, etc.

IV. Finance

A. Financial Update

Mr. Wood, CBO, presented the Financial Update, with highlights as follows:

Balance Sheet Slide:
• LT-Debt decreased due to FMV adjustment to OPEB Accounts
• Restricted Net Position:
• Cafeteria - $217,171
• Ed. Effectiveness - $140,938
• Kitchen Infrastructure - $25,000
• A-G Success Grant - $258,788
• A-G Learning Loss - $97,019

Cash Analysis Slide:
• Days of Cash on Hand: 210 (Recommended: 90)
* Cash categories and comparisons
* We can pay our bills for 210 days...in case of emergency/loss.

Profit and Loss (Summary) Slide:
* This slide presents a summary/view of our profits and losses

Profit and Loss (YTD) Slide:
* Per student funding has increased from last year, with large COLA% increase

• 2% (June 2022) + 3% (Aug 2022) built into salary schedule
• COVID relief funds revenue and expenses reflected in actuals
• FMV adjustment reflects market volatility

Budget Comparison (YTD) Slide:
• 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)
• Expecting an audit adjustment to revenue due to the state's hold harmless provision

Department Budgets (4000s) Slide:
* Mr. Wood noted that he'd like to see a higher percentage spent on textbooks at this time of year.
* 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

Other Matters:
• Preparing for 1st interim projection updates

B. Discussion and Vote to Recommend to the Full Board Approval of the October, 2022, Check Registers

Alexandra Ramirez made a motion to Recommend to the Full Board Approval of the October, 2022, Check Registers.
Danielle Malconian seconded the motion.
Prior to the vote, Mr. Wood and Ms. Ilyas presented the October, 2022, Check Registers.
The committee **VOTED** to approve the motion.

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

C. Discussion and Vote to Recommend to the Full Board Approval of the October, 2022, Credit Card Charges.

Danielle Malconian made a motion to Prior to the vote, Mr. Wood and Ms. Ilyas presented the October, 2022, Credit Card Charges.
Alexandra Ramirez seconded the motion.
Prior to the vote, Mr. Wood and Ms. Ilyas presented the October, 2022, Credit Card Charges.
The committee **VOTED** to approve the motion.

Roll Call

Danielle Malconian	Aye
Alexandra Ramirez	Aye
Daniela Lopez-Vargas	Absent

D. Discussion and Vote to Recommend to the Full Board Approval of ECRCHS's Fiscal Policies and Procedures

Alexandra Ramirez made a motion to Recommend to the Full Board Approval of ECRCHS's Fiscal Policies and Procedures (FPPs).
Danielle Malconian seconded the motion.
Prior to the vote, Mr. Wood, CBO, and Ms. Malconian, presented and discussed recommended changes in the Fiscal Policies and Procedures based on input during discussion of this item during October F&I and Regular Board Meetings, and after inviting all stakeholders an additional month to review the FPPs and to provide input on the FPPs proposal.

Mr. Wood noted changes on pp. 19 and 24, including per diem pay policy.

NOTE: While not expressly discussed during this F & I meeting, it is noted that during previous discussion of the FPPs in October, a request to broaden the scope of acceptable types of courses and/or institutions of learning for tuition reimbursement eligibility consideration is included in this most recently revised FPPs document draft.
The committee **VOTED** to approve the motion.

Roll Call

Daniela Lopez-Vargas	Absent
Alexandra Ramirez	Aye
Danielle Malconian	Aye

V. Closing Items

A. Adjourn Meeting

Danielle Malconian made a motion to adjourn the meeting.
Alexandra Ramirez seconded the motion.
Voice Vote taken.
The committee **VOTED** 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 6:15 PM.

Respectfully Submitted,
Kurt Lowry