APPROVED

El Camino Real Charter High School

Minutes

Finance and Investment Committee Meeting

Date and Time
Thursday January 19, 2023 at 5:30 PM

Location
El Camino Real Charter High School - MAIN CAMPUS

Library Media Center

5440 Valley Circle Boulevard
Woodland Hills, CA 91367

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, Daniela Lopez-Vargas, Danielle Malconian

Committee Members Absent
None

Guests Present
David Hussey, Gregory Wood, Kurt Lowry, 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 Jan 19, 2023 at 5:34 PM.

B. Record Attendance and Guests

Ms. Lopez Vargas arrived at 5:36 p.m., shortly after the initial roll call. Her arrival and attendance were noted/announced.

Quorum established with all members present.

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

Mr. Hussey led Members and guests present in the Pledge of Allegiance to the United States of America (USA).

D. Public Comments

No requests for Public Comment were made/received.

E. CBO Report

Mr. Wood, CBO, provided the CBO report, with highlights as follow:

1. We are partnering with Birmingham CHS, GHCHS, Partnerships to Uplift Communities (PUC) CMO in order to challenge what we view as billing overcharging by Fulgent regarding COVID-19 testing; at this point, the amount that ECRCHS is contesting is $1.6M at this point; no process to validate the process, including what insurance company is paying; we made need to hire a forensic auditor; some invoices have been billed but not all; possible class action or group claim to be determined; Fulgent attempted to contact LACOE and the Dept. of Public Health;

2. State is back-funding us for ADA; funds to arrive in February, 2023, and will provide this information to the board;

3. Noted that he and Ms. Ilyas went to School Services of CA meeting to get a glimpse of Governor's budget for planning purposes; pre-planning for school districts; good news is COLA adjustment based on eight factors, six of which are present; Preliminary COLA adjustment is 8.1% increase which is a good number, Mr. Wood noted; potential caveat is that LACOE is expected to lose 7% of public school enrollment and predicted to have future enrollment declines; SSC provided a hypothetical example, he said, of how an 8.1% COLA increase is reduced at a $10K ADA School that experiences an enrollment decline of 200 to an approximate adjusted COLA 5.6%; we'll stay tuned and hope for the best; Marketing and holding onto enrollment are priorities for our school and others in the State;

4. Possible categoricals; possible one-time twelfth grade culture enrichment grant for field trips; about $200 per student 12th grade for a total of aporoximately $180K for our seniors.

5. Sent to CDE - Will present the ESSER Funds for full board presentation next month; how much we've received, how much we've spent, and spending deadlines, etc.

II. Consent

A. Approve Minutes of November 10, 2022, Finance and Investment Committee Meeting

Alexandra Ramirez made a motion to approve the minutes from 11-10-2022 F & I Committee Meeting Finance and Investment Committee Meeting on 11-10-22.
Daniela Lopez-Vargas seconded the motion.
Mr. Wood noted that a correction had been made to P. 10 in order to reflect that the actual amount should be $5,790,000.
The committee **VOTED** to approve the motion.

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

III. Investment

A. Investment Update

Mr. Wood provided the Investment Updated, with highlights as follow:

1. With end of year concluded, Mr. Wood noted, Beacon Pointe Investment Advisor Mike Breller will be present at the February, 2023, Regular Board Meeting to provide his comprehensive review of ECRCHS investments.

OPEB:

* As of December, 2022, OPEB down slightly, about a 1.5%.
* YTD through 6 months, the school has made monthly contributions for a total of approx. $1.3M.
* OPEB total $21.8M as of Dec. 31st.
* Market conditions $21.8M; as of Jan. 16th, market conditions are up; accordingly, the OPEB balance is currently at $22.8M total as of mid-January, 2023, or up about $1M since 12/31; noted that the month isn't over, of course, but the balance is trending well; the balance also doesn't include the monthly contribution ECRCHS makes after Jan. 16th.

Gen. Account:

* Gen. Account has $6.704M

IV. Finance

A.

December 2022 Financial Update

Mr. Wood, CBO, and Mrs. Ilyas, Director, Accounting and Finance, presented the December, 2022, Financial Update, with highlights as follows:

Balance Sheet

Assets/Revenues:

1. Cash in County/LACOE Acct. balance - $22.7M unrestricted; CD-like interest-generating account; trending upward and our cash position is improving;

2. Total Bank Balances - $28.081M

3. Other assets section starting with 9150 reflects another $28M on our balance sheet

4. Fixed Assets balance $6.3M

5. Total Assets $63.38M (Dec. 22)

Liabilities/Expenses:

1. Largest liability is OPEB liability of $28.2M

Profit and Loss:

1. Shows progession of financial up through 12/31; money we've received and what we've spent over the past six months/half-way mark; looking at trends;

2. New State revenue received after our 1st interim period;

3. on the expense side, we made more payments to our retiree benefits; we also had some reclassification to do between our services categories and our other outgoing, which is how we pay our 1% oversight fee to LAUSD;

Mr. Wood noted that employee benefits means all forms of benefits, including medical, STRS, PERS; Mrs. Ilyas added that it includes statutory (obligatory) and what we offer (locally determined/offered as a school);

4. Learning Recovery Grant and Arts and Music Instruction Grant revenues came in November; Ms. Lopez-Vargas asked is the money would be spent this year to which Mrs. Ilyas replied that for the Arts and Music Grant, a plan needs to be submitted and approved;

B.

Discussion and Vote to Recommend to the Full Board Approval of the December, 2022, Check Registers

Alexandra Ramirez made a motion to recommend to the full Board approval of the December, 2022, Check Registers.
Danielle Malconian seconded the motion.
Prior to the vote, Mr. Wood and Mrs. Ilyas presented and reviewed the check registers and answered a few questions, including in response to Board Member Ramirez's question about international students' enrollment reimbursements; Mr. Hussey noted that reimbursements are requested and received for various reasons (Visa's not being approved, or family emgergency, etc.); noted that full cost is $7,500 per semester or $13K per year, per student, or prorated amounts.

A discussion about Trust account balances and use of funds timelines ensued; Mr. Hussey noted that students should be able to receive benefit from funds in trust accounts within a four-year period;
The committee **VOTED** to approve the motion.

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

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

Danielle Malconian made a motion to recommend to the full board approval of the December, 2022, Credit Card Charges.
Alexandra Ramirez seconded the motion.
Prior to the Vote, Mr. Wood and Mrs. Ilyas presented and reviewed the credit card charges.

Mr. Wood noted that the organization is tightening the reins on normal expenses, thus reflecting a smaller credit card balance than has been evidenced; cited efficiencies with the front-end payment via the PO process as opposed to the more laborious process of payments made via credit card purchases process.
The committee **VOTED** to approve the motion.

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

D. 2021-2022 Audit Report

Mr. Wood, CBO, led a discussion on the 2021-2022 Audit Report, with highlights and a review as follows:

* Hard copies available between now and the regular board meeting; (NOTE: Dr. Lowry had sent out an email to all Board members on January 6th, 2023, to notify members that copies of the audit report are available upon request and that copies will be available at the Jan. Regular Board Meeting).

* Auditor Vanessa Pineda will present to the full board next week.

* Submitted the Audit report on time (by 12/15/22).

* Clean opinion;

* adjustments made as a result of additional monies coming in after August 15th; 2022;

* we informed the public of our dispute with Fulgent charges as excessive and/or unsubstantiated;

* P. 3 - Summary balance sheet comparison with prior year asset categories.

* P. 4 - Profit and Loss - Statement of Activities in education parlance).

* Year vs. year - growth of our reserve.

P. 5 - Expenses for program services (kids support) and management and general (M&O, legal, etc.). itemized by areas of support for the school, which is typical.

P. 7 - Questions for auditor; notes on/for each category

* OPEB and actuarial payment projections are factored into the audit report

P. 19 - Subsequent Event note;

Ms. Malconian noted that the actuarial report indicated a decreased OPEB liability, to which Mr. Wood responded in the affirmative.

P. 20 - Board Members names, terms, listed.

P. 21 - some of the federal grants/how much received.

P. 22 - verify and do testing on our ADA; two extra months; have to file an annual report.

P. 23 - compliant with our required number of classroom minutes; we were over.

p. 24 - differences between unaudited actuals; 73K adjustments and statements filed to reconcile the difference.

Other pages - Auditors opine on other federal and State programs.

P. 34 - Tale of the Tape, so to speak: unmodified report; no weaknesses noted; deficiencies none;

P. 35 - No findings overall statement.

E. 2022-2023 RFP for Audit Services

Board member Malconian and Mr. Wood, CBO, led a discussion on the 2022-2023 Request for Proposal (RFP) process for Audit Services, with highlights as follow:

* Mr. Wood noted that this is a normal process; current auditor is Christy White; contract expiring; not a performance concern; CBO is happy with current auditor performance and communication; this audit report is the final part of the contract;

* Our auditor process is such that during April, 2023, there would be a selection; the Finance and Investment Committee leads the process;

* Christy White has already sent in a proposal; We will be sending RFP letters to other auditors to invite additional auditors to submit proposals (minimum of three proposals required);

* F&I Committee will review the proposals received and make recommendation(s) to the Full Board out of the Committee; possible March or April conclusion to this process.

V. School Business

A. Discussion and Vote to Recommend Approval of the "Royal Recognition!" ECRCHS Employee Recognition Program and Implementation

Dr. Lowry, Director of Human Resources and Compliance, presented the proposed "Royal Recognition!" ECRCHS Employee Recognition Program and Implementation, with a summary as follows:

* need to recognize employee performance and appreciation;
* recurring theme of "appreciation" in the HR Office
* previously discussed with Administrative Directors, HR Colleagues, and Business Office;
* presented during Opening Faculty meeting by HR
* Healthy organizations recognize their employees
* can do this in a fiscally responsible ways and with Board support

Program 1: Royal Recognition Award (monthly nominees; online form; HR/Bus. Office,/others Award certificates/PA announcments/photos on website/display case

Program 2: Royal Ovation Award (two times per semester; one outstanding nominee recognized at a Board meeting (Dec. or June); preferred parking space; PA announcement; photo on webiste; display case;

Program 3: "Real Longevity Award" - award longevity; recognize length of service; Possible recognition after year one and year two and then at possible 5, 10, 15, etc. increments.

Board Member Malconian asked what might be the largest expense, to which Dr. Lowry responded that it depends on how many people are recognized for the different programs and what the cost might be for the awards;

Program 4: "Royal Raffle!" Quad, music, once per month; random drawing for prizes "just for being ECRCHS employees.

Program 4: Teacher or Employee Appreciation Week: Themes for each weekday during the week, with small gifts each day;

Dr. Lowry noted that we can scale the program and/or tailor programs and costs to what works for our school; Dr. Lowry noted that this program is a prudent investment in the welfare and morale of employees.

Boardmember Ramirez asked who would administer the program to which Dr. Lowry noted that HR would take the lead, while expecting some support from Administrative Directors, Teachers, Staff, parent volunteers, and the Board;

After some discussion about appreciation week (Employee appreciation is March 2023) and Teacher Appreciation is in May, 2023) other timing and logistics needs, the Finance and Investment Committee recommended that Dr. Lowry present this item to the full board next week for additional input and ideas for implementation.

Accordingly, no vote was taken at this time and this item will be a discussion item next week ahead of a vote in the near future.

Ms. Malconian, Mrs. Ramirez, Mr. Hussey, Mr. Wood, and Ms. Lopez-Vargas noted the program benefits staff welfare, retention, recruitment, and efforts to market and brand our school.

Cost out and identification of sources of funds will be a priority; no gift cards unless donated, etc.

B. 2023-2024 Budget Planning

Mr. Wood, CBO, provided an opening/preliminary discussion on 2023-2024 Budget Planning, with highlights as follow:

* Continuing efforts to enact a bottoms-up approach to budgeting at ECRCHS (student-centered, staff needs/input-based, data-driven

* Next month, we should have a budget calendar with the goal of capturing the total budget from each department and not just for instructional materials and textbooks, but when they go on field trips, purchase supplies, licenses, and technology items for their classrooms, etc.

* Trying to capture needs and costs

* training and involve students and staff in the budgeting training/impact of their efforts and projections of revenues projected, actuals, and impacts on budget and expenditures moving forward.

* Student Body Funds via Student Council/Associated Student Body (ASB); they have oversight of ASB funds as elected student government/officials and need to exercise those duties and responsibilities, accordingly (student body governance of ASB funds/trust accounts);

* Mr. Hussey noted that this process has worked with staff in terms of asking people to think about wants versus needs and in the process take greater ownership of ASB funds management process/governance.

* Mr. Wood added that we've been blessed with one-time funding and certain categorical amounts; when one-time funds dry up, enrollment decreases, etc., goal is to continue to be more financially nimble, responsive, and transparent in response to unknown circumstances/revenue changes.

VI. Closing Items

A. Adjourn Meeting

Alexandra Ramirez made a motion to adjourn today's Finance and Investment Committee meeting.
Daniela Lopez-Vargas seconded the motion.
Voice vote taken; unanimous vote in favor of adjourning the meeting.
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 7:06 PM.

Respectfully Submitted,
Kurt Lowry