

APPROVED



El Camino Real Charter High School

Minutes

Finance and Investment Committee

Date and Time

Thursday February 16, 2023 at 5:30 PM

Location

Main Campus - Library Media Center

El Camino Real Charter High School
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, r.guinto@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 Feb 16, 2023 at 5:32 PM.

B. Record Attendance and Guests

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

Mr. Hussey, Executive Director, led Committee Members and guests in the Pledge of Allegiance to the United States of America (USA).

D. Public Comments

No public comments were received.

E. CBO Report

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

* Regarding Fulgent, we still have the outstanding billing of \$1.6M; we've engaged YM&C legal counsel who will representing ECRA/ECRCHS, Birmingham CHS, Granada Hills CHS, and Partnership for Uplifting Communities (PUC); we're putting together our materials through legal counsel who has sent a letter to Fulgent to send any correspondences to YM&C legal counsel/representative; Mr. Wood noted that our JPA, CharterSAFE, may possibly file a claim on our school's behalf in coordinated collaboration with YM&C;

* ADA report for month 6 is being updated tomorrow; will provide updates at the regular board meeting;

* CDE funding apportionment updates for rest of 2022-2023 school year, including any "hold harmless" amount; will have the ADA update report as well as any information regarding any apportionment funding updates from the CDE;

* Cafeteria keeps performing; Cinnamon Rolls selling like "hotcakes;" demand has been strong;

Committee Members made a no-vote suggestion for food samples for the next Reg. Board Meeting;

* We're up 61% meals services; YTD revenues up \$267K; projecting to end year at over \$400K in revenues/increase; We're looking at upgrades within campus/cafeteria outside; in the cafeteria area; outdoor seating area;

Ms. Malconian noted that this is in large part due to all kids eating for free, to which Mr. Wood noted that the Federal and State have provided a lot of funding; he noted the program might last another year; Ms. Ilyas noted that there is actually not definite ending of the program, so any change to the universal meals served would likely need to be voted on by the board.

II. Consent

A.

Approve Minutes of January 19, 2023, Finance and Investment Committee Meeting

Daniela Lopez-Vargas made a motion to approve the minutes from Finance and Investment Committee Meeting on 01-19-23.

Alexandra Ramirez seconded the motion.

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

Roll Call

Danielle Malconian Aye

Daniela Lopez-Vargas Aye

Alexandra Ramirez Aye

III. Investment

A. Investment Update

Mr. Breller, Beacon Pointe Investment Advisor, was not present, so Mr. Wood, CBO, presented the Investment Update, with highlights as follow:

Mr. Wood noted that in the materials is the 4th Quarter Report ending December 31st, 2022, with highlights as follow:

OPEB Account:

Overall Balance: \$21.8M

Key indicator is lower half of page 2, noting an Executive Summary breakdown of US Equity, Intl. Equity, and Fixed Income, Alternatives, and Cash positions, and whether or not we're in compliance with our IPS Range and Policy positions.

Mr. Wood noted that we are within our policy ranges.

Ms. Malconian noted the cash position is low at .3%% and noted that our policy range is 0%-10%.

Ms. Ramirez asked who and/or how is the policy range determined, to which Mr. Wood replied that the F&I Committee and Board set and approved the policy range and worked with Beacon Pointe in the process; Beacon Pointe, he added, abides by what we recommend.

Ms. Ramirez asked how often do we look that the policy range, to which Mr. Wood noted that it's been approximately two years now;

Mr. Hussey added that we can look at it every year, or every 6 months, and noted that we look at it generally every quarter with Mr. Breller presents; Mr. Wood broached the subject of the Polen Capital example wherein Beacon Pointe reallocated funds away from Polen due to performance concerns and into a more diversified index fund; Mr. Wood

noted that the Board can go back to Beacon Pointe to effect change in the Policy Range and Beacon Pointe will abide by whatever range the Board is comfortable with; he noted that it is totally up to us to make the change;

Gen. Account balance is \$5.9M

A little more security; OPEB is more long-term with more growth/risk-based securities; Balance positions reviewed with noted investment in Fixed Income securities; in all cases, we're within the policy ranges.

I invited our corporate trustee, US Bank, to attend our meeting next Month; for a once/year check-in; our representative will be present (virtually) at next F & I committee meeting and the following Regular Board meeting; Will benefit OPEB trustees.

OPEB and Gen. Acct. Chart Review:

\$21.8M in December; increase \$1.6M in January alone; whole fund up 14.4% as of end of January; \$1.54M in contributions;

Gen. Acct. overview of funds/managers; almost \$7M in the Gen. Acct.

Combined \$30.4M; a very healthy place to be; Mr. Breller will be here to attend the Regular Board Meeting to fill in the details as needed.

IV. Finance

A. January 2023 Financial Update

Mrs. Ilyas, provided an the Jan. 2023 Financial Update provided by ICON, with highlights as follows:

Balance Sheet Slide:

Cash increase due to Net Income generated to date and advance ESSER Payments

Decrease in long-term OPEB liability due to how well it's doing;

Increase in our LAUSD and Benefit liability; restricted net position presented;

Cash Analysis Slide:

235 days of cash on hand; we have enough funds to cover the academic year if something catastrophic happens; Mr. Wood added that the line to the right shows a very healthy, stable position for our cash;

Profit Loss Summary Slide:

All our revenues and expenses

Also working on our 2nd Interim report so by the next meeting, we'll have those numbers and newer projections;

Ms. Lopez-Vargas - Is the adopted budget column correct? I don't remember us approving a negative operating income, to which Mr. Wood noted that they (Business Office) will review and adjust that column; he noted that the Board had adopted a flat budget and that he/they will adjust that column;

Profit Loss Slide:

Revenues:

Increase in fed. revenue through increase participation in the cafeteria, and CARES act funds;

Increase in State Revenue due to ECRA's receipt of two (2) new block grants, the State's backfilling funds for universal meals, and we've seen a decrease in our fair market value adjustment;

Expenses:

Capital Improvement Projects throughout the school; PERS and STRS rate has also increased;

Next slide Compares Budget to Actuals:

We are reflecting a normal/expenditure receipt and spend rate for being 7 mon. through the school year.

The only exception is in our State revenue and our capital outlay; this is where we're seeing those outliers.

Mr. Wood noted that we expect to see 7/12 of expenditures used at this time of year; Capital outlay is higher due to purchases'

Department Budgets (4000s) Slide:

What the Board approved for Textbooks and Instructional Materials and what the projections were based on 1st Interim and where they are YTD; Mr. Wood noted that these budget totals reflect roughly 21% of funds being spent at this time; he cited various departments, including Science and Math budgets alone comprise over \$400K; we will look at details;

Mrs. Malconian asked about Health and Life Skills; Budgeted amount vs. large amount spent;

Other Matters:

IN the midst of 2nd interim preparation; clean up and review for that quarterly report;

We're also in the midst of launching of the budget process for next year which we will talk more about in item 5.

CARES ACT SUMMARY:

Reviewed how much we're allocated what we've spent and the deadline by which the money must be spent.

Ms. Malconian asked if there is a plan to spend what is left in ESSER II, to which Mr. Wood and Ms. Ilyas replied in the affirmative.

Ms. Malconian asked what we pay to the LAUSD for the property, to which Mr. Wood noted that it's 1% oversight fee, or 1% of our LCFF revenue or slightly over \$300K; the code is "Other OUTGO," an accounting code; Ms. Ilyas noted that the amount is "taken off the top;" it won't be on any check register, per Mr. Wood;

B. Discussion and Vote to Recommend to the Full Board Approval of the January, 2023, Check Registers

Alexandra Ramirez made a motion to recommend to the Full Board Approval of the January, 2023, Check Registers.

Danielle Malconian seconded the motion.

Prior to the Vote, Ms. Ilyas reviewed the following Check Registers.

Ms. Ilyas reviewed our checking acct., wherein we pay our monthly expenses.

Ms. Ramirez asked for an explanation regarding our substitutes and how much we pay our substitutes; she noted that the costs are high; Mrs. Ilyas noted that we contract for substitutes through a vendor, thereby increasing our costs for substitute teachers; Mrs. Ramirez asked how much are we paying these agencies, to which Mr. Wood noted that we've had some backlogged invoices being paid, to which Ms. Ramirez noted that caught her attention, for four days of subs., we're paying \$6,400 per day.

Mr. Hussey noted that some of the costs are due to department retreats; additionally, some teachers have been on FMLA or extended absences; Mr. Wood noted that we've got approximately fourteen teachers on FMLA/leaves, which is an unusually large number at this time;

We use Scoot for teacher substitutes and Piece of Mind and Edlogical for non-teaching substitutes;

Ms. Ramirez asked Mr. Wood if Scoot's rates are reasonable, to which Mr. Wood replied, "Yes."

Next item is Vendor YTD payments in January and Vendor YTD 2022-2023; Board members viewed scrolled items and again, the Board reviewed Scoot's YTD and January Costs alone:

Scoot cost is \$502,983.48 YTD; January \$250,195.02

Mr. Hussey noted that he would like to discuss with UTLA a possible incentive program for improving attendance; Ms. Malconian asked about what kind of incentive and Mr. Hussey and Mr. Wood noted that a financial incentive for monthly perfect attendance.

Gen. Account Register:

Transactions from Gen. Acct. OPEB, health benefits, gen. insurance, etc.

ASB Register Transactions reviewed from ASB Account;

ASB Trust Balances reviewed;

Ms. Malconian asked about the concern regarding the Boys Basketball Program; Mr. Hussey noted that to his knowledge, the coach had cash and uncashed checks that had not been turned in yet, but everything has been turned in, to Mr. Hussey's knowledge, including a cashier's check that had been turned in today;

Ms. Ilyas noted that she and Mr. Wood discussed ASB funds and process overview with several coaches; how to collect, turn in, document, and purchase, etc.

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

Roll Call

Alexandra Ramirez Aye
Danielle Malconian Aye
Daniela Lopez-Vargas Aye

C. Discussion and Vote to Recommend to the Full Board Approval of the January, 2023, Credit Card Charges.

Danielle Malconian made a motion to Vote to Recommend to the Full Board Approval of the January, 2023, Credit Card Charges.

Alexandra Ramirez seconded the motion.

Ms. Ilyas, Director, Accounting and Finance, previewed the January, 2023, Credit Card Charges, including total and statement.

She noted that next month there will be a lot of travel expenses to be noted;
The committee **VOTED** unanimously to approve the motion.

Roll Call

Daniela Lopez-Vargas Aye
Alexandra Ramirez Aye
Danielle Malconian Aye

D. 2022-2023 RFP for Audit Services

Mr. Wood, CBO, led a discussion on the 2022-2023 RFP for Audit Services, with highlights as follow:

- * Contract expired so we're requesting an RFP for one year with up to two additional option years;
- * Subject to the Full Board's approval
- * Evaluation Rubric areas previewed;

Ms. Lopez-Vargas pointed out an incorrect year 2018-2019 on the item.

Discussion ensued about the need to make this item a voting item at today's F&I Committee meeting:

Ms. Malconian made a motion to change this item to a voting item from only a Discussion item; Ms. Ramirez seconded the motion; After a roll call vote, the motion carried 3 ayes to 0 nays;

Upon making this item a voting item, Ms. Lopez-Vargas moved to vote to recommend to the full board the approval of the 2022-2023 RFP for Audit Services; Ms. Malconian seconded the motion; After a roll call vote, the motion carried 3 ayes to 0 nays;

V. School Business

A. Discussion and Vote to Recommend 2023-2024 Budget Planning Process and Calendar

Danielle Malconian made a motion to Recommend the 2023-2024 Budget Planning Process and Proposed Budget Calendar.

Alexandra Ramirez seconded the motion.

Prior to the Vote, Mr. Wood and Mrs. Ilyas led a discussion on the 2023-2024 Budget Planning Process and Proposed Calendar.

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

Roll Call

Alexandra Ramirez Aye

Daniela Lopez-Vargas Aye

Danielle Malconian Aye

VI. Closing Items

A. Adjourn Meeting

Alexandra Ramirez made a motion to adjourn the meeting.

Daniela Lopez-Vargas seconded the motion.

Motion to adjourn approved unanimously via single voice vote.

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 6:33 PM.

Respectfully Submitted,

Kurt Lowry