

El Camino Real Charter High School

Minutes

Finance and Investment Committee

Date and Time

Thursday March 16, 2023 at 5:30 PM

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, Ryan Guinto, 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 Mar 16, 2023 at 5:37 PM.

B. Record Attendance and Guests

Ms. Lopez-Vargas reported earlier that she would be absent from the meeting.

Quorum established as two of three members present.

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

Ms. Malconian led Committee members, participants, and guests in the Pledge of Allegiance to the United States of America.

D. Public Comments

No requests for public comments were received.

E. CBO Report

Mr. Wood, CBO, presented his CBO Report with highlights as follow:

- * Audit RFP requests were sent out to five different audit firms (CliftonLarson, Christy White, Baker Tilly, Gilbert & Gilbert, EideBailly);
- * CCSA Mr. Hussey, Mr. Wood, Ms. Ilyas, Mr. Delgado, and Mrs. Larew just returned from the California Charter Schools Association (CCSA) Conference; while there, Mr. Wood noted that they had spoken with audit firms also in attendance (Christy White, CliftonLarson, Baker Tilly, etc.); Mr. Wood noted that representatives from CliftonLarson informed him that they have no capacity for any new work; firms impacted by an influx of audits.
- * CSD audit Interviews on March 1st no follow-up items to date, except that the CSD auditors saw the Fulgent report; our lawyer gave us suggested language; we replied and CSD was satisifed with how we replied; YM&C lawyer is representing us in the Fulgent matter; we're supposed to have meeting on Monday with Mr. Minney of YM&C; in similar position as four other schools, including Birmingham CHS; Mr. Hussey and I met with CharterSAFE; we might get some legal defense through CharterSAFE, yet we need clarity; 3 of the schools are with CharterSAFE while 2 are not; the initial demand letter from YM&C to Fulgent has not generated a reply from Fulgent;
- * At the Charter conference; our current auditors owe us our tax return which is due by May 15; we will have that information for the next meeting.
- * RE: Budget Development Process Ms. Ilyas noted that the Business Office is in the process of meeting with departments to assist with their budget requests and needs; next week, the business office will meet with stakeholders from the Independent Study Campus to assist them with their needs/budget request, etc.
- * ADA udate through month 6; Enrollment down 114 from last year during the same period;
- 100 of the losses are in the tenth and eleventh grades; expected to lose approx. 65 students next year, so the budgets income and expense rates will reflect this projection;
- * Cafeteria Revenue up 54% after February; this past week we set a record number of breakfasts; trending toward a \$500K budget/operating surplus in the Cafeteria.
- * Later in this meeting, there is a proposal to recommend a proposed cafeteria upgrade.

II. Consent

A. Approve Minutes of February 16th, 2023, Finance and Investment Committee Meeting

Alexandra Ramirez made a motion to approve the Minutes of February 16th, 2023, Finance and Investment Committee Meeting Finance and Investment Committee on 02-16-23.

Danielle Malconian 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, presented the February, 2023, Investment Update, with highlights as follow:

OPEB:

- * OPEB end of February 2023 = \$23.4M;
- * Down slightly (-1.5% since prior month);
- * YTD \$1.54M in contributions; On YTD Investment side is up 5% \$1M
- * Overall up over 12% including contributions and growth

Mrs. Ramirez asked Mr. Wood if we are impacted by recent banking closures/crises, to which Mr. Wood replied that US Bank sent a correspondence to reassure us that they are not adversely impacted by recent bank closure events.

Gen. Investment Fund:

* \$6.8M

Total Aggregate Investment Portfolio:

* \$29.9M

B. US Bank/ECRA Healthcare Trust Presentation

Ms. April Beauchamp of US Bank and Trust, presented the US Bank/ECRA Healthcare Trust presentation on services provided, with highlights as follows:

- * Want to reaffirm our relationship and commitment to your needs; we work together as a team along with your new account manager, Jeannette.
- * G. Wood asked April Beauchamp to explain the term "Pivot," which is a portal that allows us to access our holding portfolio statements and account balances.
- * Custody portfolio Education in General (products perspective)

171 clients

18.6B Total Assets

\$109.1M Average Assets

Custody and Trust Services

- * Trustee Services standalone legal entity; dedicated our fiduciary responsibilities in line with the following core principles which are listed in the materials/slide presentation
- * Legal and Risk Compliance infrastructure services
- * Pivot Your online client portal
- * run reports
- * real time access to accounts and statements

Ms. Beauchamp will present this information again next week at the Regular Board Meeting.

IV. Finance

A. February 2023 Financial Update

Mr. Wood and Mrs. Ilyas, presented the February 2023 Financial Update, with highlights as follows:

* Mr. Wood noted that this Item A. is part of Item B, the 2nd Interim Financial Report/Upate, so this item will be discussed together with and documented in Item B.

B. Discussion and Vote on 2nd Interim Financial Report

Danielle Malconian made a motion to recommend approval to the full board the 2nd Interim Financial Report.

Alexandra Ramirez seconded the motion.

Prior to the Vote, Mr. Wood and Mrs. Ilyas, discussed the 2nd Interim Financial Report, with highlights as follows:

* 2nd Interim is comprised of both Item A. and Item B. here.

- * Balance Sheet shows our assets and liabilities, net position (fixed assets, \$6.2M, e.g., owning a building).
- * Report to SELPA (sp. ed. monies on State and Fed. expected and projected to be spent).
- * Special Ed. \$2.738.239 encroachment on Gen. Fund in order to run entire Sp. Ed. program; Mr. Wood explained that encroachment is actually a good thing in that if there is no excess spending on Special Education there would be no reason for us to receive extra monies from the CA or Fed.; (first layer from sp. ed. funding and then encroachment from funding from other sources; Mr. Wood noted that Funding may decrease 10-15%
- * Mrs. Ilyas reviewed the Timeline for Adopted Budget 2022-2023
- * 2nd Interim projections where we think we're going to end up
- * \$4.2 Million (corrected link/materials included prior to the meeting)

Projected LCFF update as of today:

\$40M projected based on current ADA; State calls it a hold harmless number; COVID relief and enrollment loss; Feb. LCFF is most current information as of today;

- * Federal Revenue is the next section/line:
- * \$4.2M Fed. revenue; remaining flat from where we thought it would be at 1st interim.
- * \$5.470,540 (an increase that reflects 2 new block grants received (learning recovery & arts/music); must be spent by 2026 for Arts and Music and 2028 for learning recovery;
- * \$55M Total Projected Revenue (itemized restricted and unrestricted)

Expenses:

- * Certificated Salaries \$17.9M based on data
- * Classified Salaries stayed the mostly same
- * Employee benefits projected increased slightly
- * Books and Supplies projected decrease;
- * Services line increased; up to \$10M due to uptick in field trips and increased demand for substitute teachers (Almost doubled); teachers on various leaves of absence are a contributing factor;

Ms. Malconian asked if we ever did a cost comparison between sub. rates, to which Mr. Wood invited Dr. Lowry to make a comment on the matter.

Dr. Lowry noted that at the beginning of the last (21-22) academic year, we entered into a services agreement with Scoot Education to provide substitute teachers and we continued to contract with Kelly Education; he noted that at the beginning of this year (22-23) we entered into a modified services agreement with Scoot Education wherein a small group of Scoot's substitute teachers are assigned and dedicated to the ECRCHS

campus; Dr. Lowry noted that this dedicated group of teachers is referred to by Scoot as a "Sub. Bubble," and it is to ensure continuity of dedicated subs.; Dr. Lowry noted that ECRCHS and Kelly no longer have a business relationship, which Mr. Wood affirmed and attributed to billing issues;

Dr. Lowry noted that he had received a couple of complaints and/or inquiries from ECRCHS teachers and from two substitute teachers who came into the HR Office to ask why the school was not paying them at the previously available and higher Kelly substitute rate, to which Dr. Lowry noted that ECRCHS no longer had a partnership with Kelly Education; Mr. Hussey added that Scoot pays a higher long-term rate than did Kelly; Ms. Malconian noted that the question that they are getting is that we are unable to attract good quality substitutes because we are not paying them enough, to which Dr. Lowry noted that that may be a common challenge amongst other local schools who contract out for substitute teachers; he noted that the substitute teacher pool of talent is based on who the substitute teacher company hires; Dr. Lowry noted that we all want high-quality substitutes and that we can make requests for specific teachers if/as desired; absence rates, pay rates, COVID, Other Leaves, and similar needs at other local schools are factors that have impacted the quality of substitute teachers at ECRCHS;

Mr. Wood added that Kelly was not a good partner; it was hard to pay them; but it was also hard to get subs. from Kelly and we reached out to Scoot because Kelly could not meet our needs; Mr. Wood added that for a little more cost, we have a dedicated sub. bubble that is essentially hand-picked for quality and continuity, which is an advantage for us as well.

Mrs. Malconian asked if we have any control over what Scoot pays it's subs, to which Mr. Wood replied, "not over individuals," while noting that we can request specific subs. Scoot has their own business needs:

Mrs. Ramirez noted that these subs. know what rate they are going to be paid from Scoot going into the job, to which Mr. Wood, Mr. Hussey, and Dr. Lowry affirmed.

After further discussion on sub. rates and complaints received by Ms. Malconian and the Board, Mr. Hussey asked Dr. Lowry to research the short and long-term rates paid by LAUSD, Scoot, and Kelly education and to provide the information to the committee/administration.

Ms. Malconian asked that this item be added as a discussion item on next month's (April Finance and Investment Committee Meeting).

Mrs. Ilyas continued:

Our depreciation \$359K

Ending Balanced projected \$4.2M (2.3M of that ending balance is restricted; Approximately \$2M ending balance

Next Page is in-house line by line detail (subs. and field trips)

2nd Interim Report page State Report Page reviewed - Official level of revenues/expenses; as reported in their format;

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

Roll Call

Alexandra Ramirez Aye

Daniela Lopez-Vargas Absent

Danielle Malconian Aye

C. Discussion and Vote to Recommend to the Full Board Approval of the February, 2023, Check Registers

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

Danielle Malconian seconded the motion.

Prior to the vote, Mr. Wood and Mrs. Ilyas reviewed the February, 2023, Check Registers.

Ms. Malconian asked what are "cart services" to which Mr. Wood replied flat bed golf carts for custodial crew use.

Michael Robinson \$18K for guest speaking services; ESSER Funds to be used. The committee **VOTED** to approve the motion.

Roll Call

Danielle Malconian Aye

Daniela Lopez-Vargas Absent

Alexandra Ramirez Aye

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

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

Alexandra Ramirez seconded the motion.

Prior to the vote, Mrs. Ilyas presented the February, 2023, Credit Card Charges.

Of note are the number of student-related travel/field trips for various athletic and academic-related travel.

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

Roll Call

Danielle Malconian Aye
Daniela Lopez-Vargas Absent

Roll Call

Alexandra Ramirez Aye

V. School Business

A. Discussion and Vote to Recommend to the Full Board Approval of the JUUL Vaping Settlement Packet

Mr. Hussey noted that this item will be discussed in Closed Session during next week's Regular Board Meeting.

The proposed settlement options are as follows and which the Board will discuss and vote during closed session:

- 1.) amount of \$81K for ECRCHS with the agreement that no further litigation; or...
- 2.) litigation and outcome unknown;

No vote to recommend taken during today's meeting; item will be placed on Closed Session Agenda at next week's Regular March Board Meeting.

B. Discussion and Vote to Recommend to the Full Board Approval of the Purchase of 2023-2024 Incoming Freshmen Devices.

Alexandra Ramirez made a motion to Recommend to the Full Board Approval of the Purchase of 2023-2024 Incoming Freshmen Devices.

Danielle Malconian seconded the motion.

Prior to the vote, Mr. Guinto provided an overview of the proposed purchase of 2023-2024 Incoming Freshmen Devices.

- * Each January, we order devices for incoming freshmen;
- * 1000 devices; put it out to bid;
- * We applied for ECF funding (Federal/E-rate-type program)
- * Going through the process of getting reimbursed

Costs, Device Description/Specifications:

Gen. 3 - same laptop as current freshmen; \$400 per device

Gen. 4 - \$20 more per laptop; \$420 per device

performance similar; Gen. 3 and Gen. 4 difference is a different processor; we're opting for Gen. 3 as are similar in usability

Total \$504.29 in order to utilize the \$420 per unit we'd have to bundle the device with the accidental insurance/warranty;

Mr. Wood noted that this is from next year's budget; we might see a prorated amount on the original 1000 units;

We have CARES money to fund devices

Mr. Guinto noted that significantly more applicants during the third round this time around; FRP 60% takes priority over our FRP of 30%;

Mr. Wood expressed confidence in that E-Rate and CARES Act funds will be able to fund the purchase.

Mr. Wood noted that we need to ensure that the quote is still active as the expiration of the quote was the previous day, to which Mr. Guinto said he would follow-up to confirm the quote as still valid.

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 E-Rate Purchase of Firewall and Access Points.

NOTE: No vote was taken on this item today:

Mr. Guinto discussed this item, with highlights as follows:

- * Bid closed Tuesday afternoon (only Infinity's bid proposal is included in packet
- * new firewall to increase network security.
- * E-Rate provides 50% discount on this and includes 3-year license for support (\$20K); actual firewall license is \$77K over three years;

Mrs. Ilyas noted that we can expense the cost of the 3-year license over three years;

Mrs. Ramirez asked if we can unbundle the firewall and access points and ancillary duties, to which Mr. Guinto replied in the affirmative;

After some discussion, Mrs. Malconian and Mr. Wood noted that they would like to obtain more specific financial comparisons ahead of discussing and voting on this item;

Mr. Wood suggested that maybe an agenda item for next month's (April) Finance & Investment Committee Meeting or Regular Board Meeting; Mr. Guinto and Mr. Delgado will provide more information, cost comparisons, unbundled vs. bundled, and a timeline;

Ms. Malconian noted that this item will not be placed on the Regular Board Meeting Agenda for next week, pending additional follow-up.

D. Discussion and Vote to Recommend to the Full Board Approval of the Proposed Gymnasium Facilities Upgrade.

Danielle Malconian made a motion to Recommend to the Full Board Approval of the Proposed Gymnasium Facilities Upgrade.

Alexandra Ramirez seconded the motion.

Prior to the Vote, Mr. Delgado, discussed the proposed design plans, quotes for Gymnasium Facilities Upgrade, as included in the materials.

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

Roll Call

Daniela Lopez-Vargas Absent Alexandra Ramirez Aye Danielle Malconian Aye

E. Discussion and Vote to Recommend to the Full Board Approval of the Proposed Cafeteria Facilities Upgrade.

Alexandra Ramirez made a motion to Recommend to the Full Board Approval of the Proposed Cafeteria Facilities Upgrade.

Danielle Malconian seconded the motion.

Prior to the Vote, Mr. Delgado, discussed the proposed design plans, quotes for Cafeteria Facilities Upgrade, as included in the materials.

Mr. Wood noted that we need to itemize costs, Cafeteria-related, and other facilities-related.

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

Roll Call

Daniela Lopez-Vargas Absent Danielle Malconian Aye Alexandra Ramirez Aye

F. Discussion and Vote to Recommend to the Full Board Approval of the Proposed 2023-2024 Food Service Contract with Chartwells

Danielle Malconian made a motion to Recommend to the Full Board Approval of the Proposed 2023-2024 Food Service Contract with Chartwells.

Alexandra Ramirez seconded the motion.

Prior to the Vote, Mr. Wood presented the proposed 2023-2024 Food Service Contract with Chartwells, with highlights as follows:

- * Mr. Wood noted that he supports proposal given the 5.4% CPI increase as compared with 8+%
- * Mr. Wood noted that CDE needs approval by the board within 10 days (new rates) The committee **VOTED** to approve the motion.

Roll Call

Danielle Malconian Aye

Daniela Lopez-Vargas Absent
Alexandra Ramirez Aye

VI. Closing Items

A. Adjourn Meeting

Alexandra Ramirez made a motion to adjourn the meeting.

Danielle Malconian seconded the motion.

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 7:27 PM.

Respectfully Submitted,

Kurt Lowry