

APPROVED



# El Camino Real Charter High School

## Minutes

### Finance and Investment Board meeting

October 2023 Finance and Investment Board meeting

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#### Date and Time

Thursday October 19, 2023 at 4:30 PM

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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.

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**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](mailto:comment@ecrchs.net), or by calling (818) 595-7500.*

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**Committee Members Present**

Alexandra Ramirez, Daniela Lopez-Vargas, Gregg Solkovits

**Committee Members Absent**

None

**Guests Present**

Maureen Barican, Ryan Guinto

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**I. Opening Items**

**A. Call the Meeting to Order**

**B. Record Attendance and Guests**

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

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

**D. Public Comments**

**Michelle Dorries:** The first thing I would like to say is the last minute from **September 27th (1:29)**, there needs to be a correction. Under section one, item D, under Public Comments, my name is misspelled. It's D-O-R-R-I-E-S. Number two, the statement that I made, is Mrs. Harr, not Hart, H-A-R-R. She's an ECR teacher, not a student. And then also, I would like to comment on item number two on your agenda, under section A. under Consent, which includes the minutes of September 26th, under finance and investment committee meeting. I tried to access, and it comes up with the log in. You can't see it so I would like for the board to correct that. And then also under the agenda item under number four, section D, regarding ESSER funds. I know you guys are going to discuss about ESSER funds, but my question is, can these ESSER funds be allocated to cover staff or teachers position? And if this has been done in the past, or if those funds have been utilized for that, can I see it? Or can it be revealed or shown? That's it.

#### **E. CBO Report**

Mr. Greg Wood, provided his CBO Report to the Committee with highlights as follows:

##### **ADA Update**

We just finished reporting on month two of enrollment in attendance. There's a pie chart in there that shows the attendance by type. Some good news is that for the month of September as opposed to August, our enrollment went up one. Generally speaking, the enrollment normally goes down as the month's go. You can see the relative numbers of enrollment by grade level.

Our ADA attendance for the month was 2982, which is still down compared to last year's. We're down about 280, 290 and ADA this year versus last at the last board meeting, we have updated our budget forecast to reflect this lower enrollment in ADA.

##### **Investment**

This committee approved and the board recommended and approved our investment. I secured the T bill. The two year T bill was secured this week at the basically the 2.90% rate for two years so we are good with that.

##### **OPEB**

This week, the board also approved the payment and we will now start our payment of the OPEB retiree payments out of the OPEB account. Our bankers, our trustees have been notified and we're in the middle of having that transaction by the next the board meeting. It will happen the next day or two where the OPEB account will pay the first retiree payment of about \$50,000.

**Mr. Solkovits:** And as I recall that will reduce the projected deficit that you have for this year?

**Greg Wood:** The projected deficit. Yeah, The deficit does reduce for the unrestricted as we report because our total budget includes the OPEB accounting. So technically there's just a shift that let's say the 500,000 will go out of the unrestricted and then into the restricted.

**Mr. Solkovits:** I recall the last meeting the concern because of the reduction in enrollment, it was going to open up a hole so obviously it won't close that entire hole, but it closes the hole somewhat by being able to use to use.....

**Greg Wood:** That's correct. Other than that, we're just working towards our first interim report. We'll start the accounting and reporting of that in the end of this month. That's the reporting and collection of financial data for reporting our first interim report to the state.

### **Audits**

We are in the midst of our audit that is due by December 15 is the date the audit needs to be completed and reported on. We're on track with that as far as I know we have no information that suggests otherwise.

We're in the midst of negotiations, which may have some.... that won't affect this year. So that may.... but in the future as we will update the board. We'll update on our negotiations going on. And I think that's, that's my report. Thank you.

## **II. Consent**

### **A. Approve Minutes of September 26, 2023, Finance and Investment Committee Meeting**

Daniela Lopez-Vargas made a motion to approve the minutes from Finance and Investment Board meeting on 09-26-23.

Alexandra Ramirez seconded the motion.

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

## **III. Investment**

### **A. Investment Update**

Mr. Wood, CBO, presented the September, 2023, ECRCHS Investment Update with the following highlights.

#### **Beacon Point**

After we set the agenda, we were inviting Mike Breler who is with Beacon Point. He's our investment advisor. There will be a more comprehensive finance investment report, Mr. Breler will be in attendance at the next regular board meeting. There will be a report that Beacon Point will be giving based on the quarter end September, 2023.

### **OPEB Account Loss**

The report I've included in the material today shows kind of our investment balances between the OPEB and the general account. The market had a downturn in September. We made a loss in our OPEB account from the end of August, we had 25.9 million at the end of September we had 25.1 million. I just pulled the account today, and it is down to about 25 million but we haven't done our contribution yet this month.

We'll have to find a place and start reporting not only our \$20,000 contribution, but I'll start that report off to kind of show and be transparent and show the monthly payment being made out of the OPEB accounts.

So at the end of September, we've made contributions of \$660,000. But the downturn in the market, we've lost as of the end of September, \$846,000. So we're down slightly. We started the OPEB account had 25.3 million. It has had 25.1, almost \$25.2 million in the OPEB side.

### **Athene Annuity switch to T-bill**

On the general side, including the annuities we had 6.9 million, but again, this report showed that our Athene investment, that was a three-year 1.95% annuity. Now going forward, that line that shows Athene in the report won't be an annuity, but we will start showing the 4.9% T-bill will replace that annuity. So our return on the general investment, basically is going to be bumped up by almost 3% by switching.

### **Midland**

Midland is also going to go from the 2.4%. It expired and it's going to be reflected that we are saving a 4.8% on the renewing since we decided to renew with Midland at a double the rate.

**Mr. Solkovits:** question, our labor partners, do they meet with you guys regularly on the status of the OPEB account?

**Mr. Wood:** I wouldn't say they meet regularly, but there's Mr. Brian Wilson is on the negotiating committee. He's been designated and he's given information, he's been invited to attend any, of the finance committees.

**Mr. Solkovits:** so basically that Trust is just handled by us, by you and then the Board of Trustees?

**Unknown male speaker: 13:59** Wilson is their representative and a lot of both the **ETLA** rep and **APSE** rep are at the board meeting, so they see this every month.

**Mr. Solkovits:** I have a couple ideas but I'll share with you privately. One last question. I questioned the investment guy about three or four months ago, what his plan was if there is a prolong downturn in the market. And I'm concerned that with the Federal Reserve, continuing to raise interest rates that we could see the economy continue to function differently than we've seen a function before. Has he indicated any concerns, thoughts about the potential for a long term downturn in the investments? it's been going down fairly steadily since, since, earlier this year. I would like to think that if this market continues to not return the way it was a couple years ago that we have some sort of thought and whatever plan will be.

**Unknown male speaker: 15:33** We will make sure he addresses that.

## **IV. Finance**

## **A. Financial Update**

Mr. Wood, CBO, and Ms. Ilyas, Director, Accounting and Finance, presented the September, 2023, Financial Update.

**Ms. Ilyas:** This is a budget versus actuals update for the month of September. You can see the very last column to the right is our actuals to date as of September. It's just a 30,000 foot view of how we're performing as a school financially.

And you can see on the revenue side, we've received about, 20% of our budgeted revenue. And then on the expense side, we've been spending about, 20% on average across the categories. So we are where we're supposed to be at this time of the year. Some of the revenue on like the federal and the state sources are low, but that's normal for how funds get distributed.

**Mr. Wood:** September represents one quarter or 25% of the year's expenses as, you know, if you look at that percent of our budget, they're all like within a couple percent of our budget amounts.

I would say there's a bigger lag in the services. The services at the start of the school year: the billing and payment of those tend to lag, and in the summer, there's not as many services being provided. So we're well below, at least as of now, what we projected our service expense to be but by the end of the year we strongly believe that we'll catch up.

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

Ms. Ilyas and Mr. Wood presented.

### **General Account Register**

**Ms. Ilyas:** This register reflects the big expenses that we pay each month. These are large, recurring expenses, such as our health premium, OPEB liability, our contribution that we pay, etc.

Then in the bottom of the report, you can see how much of the health benefits go towards retirees.

**Mr. Wood:** Starting October, you see that we made a total payment of the \$377,851 which is the entire premium cost.

If this were October's report, we would have reduced the \$377,851 by deducting the retiree amounts: \$39,475.67 and \$8,517.94 that are at the bottom of the report, which would have brought us to approximately \$327,000.

**Mr. Solkovits:** What is CharterSafe?

**Mr. Wood:** Those are insurance companies. So our workers comp, general liability.

**Mr. Solkovits:** And that differs from the self-insured schools of California?

**Cross speakers:** 21:10 Inaudible.....

### **ASB Trust Balances**

**Ms. Ilyas:** We have over 50 clubs on campus. This list comprises of our teams, our student council and our clubs on campus that have done some fundraising and have some money that is housed under the ASB bank account.

**Mr. Wood:** We've talked about the, royal event. As monies would come in, this is where we would include a line for the royal families for that group. Any monies that we bring in will be included in this section in terms of the dollars. And so the, income and or expenses that happen out of it. But the Royal Family is kind of being treated as a trust relative to monies coming in, being directed to the parent groups and any expenses would be treated similarly as any of the other funds.

**Mr. Solkovits:** AcaDeca account has nothing in it. Is it funded out of the English department or?

**Ms. Ilyas:** Out of the general fund.

**Mr. Solkovits:** And then softball account has got a \$14,560. Is that money that's given by parent groups and does that sits on top of the athletics department's budget?

**Ms. Ilyas:** It's from when the coaches either fund raise for spirit packs or ad revenues. And yes it sits on top of their budget. It's irrespective of the trust's money. It's a combination of their budgets plus their own revenues.

### **ASB Bank Account**

**Ms. Ilyas:** This is reflecting all the expenses paid out of the trust accounts for September. So the big one we paid this month was for homecoming which was like \$63,000. The other items are just expenses that clubs and teams have incurred.

**Mr. Solkovits:** Did the baseball team have a tournament or something?

**Mr wood:** It's going to be next year. So they're just paying the tournament.

### **Checking Register**

**Ms. Ilyas:** This is where we pay all our bills out of. So you could see the expenses we incurred in September.

**Mr. Solkovits:** We purchased new desks. Did we need new desks?

**Mr. Wood:** We've been in the process of purchasing tables and desks so it's more of a free flowing space for teachers for collaborative learning and that kind of stuff. So we've been transitioning the past four or five years.

**Mr. Solkovits:** I noticed you bought a bunch of technology for students-\$102,000. If they lose their devices or break them do they reimburse the school?

**Mr. Wood:** Mostly insurance covers it.

### **Vendor YTD**

**Ilyas:** Here we provide a list of the vendors we've paid from the start of the school year, how much we paid them this month, and how much we paid them to date.

**Mr. Solkovits:** Brad Constant Construction. What are they working on?



**Mr. Wood:** That was the cafeteria, gym area

**Mr. Solkovits:** Did that money come out of the cafeteria fund?

**Mr. Wood:** To an extent it was cafeteria fund. A majority of it came out of the excess funds in the cafeteria.

**Mr. Solkovits:** And what are you paying Birmingham Charter high school for?

**Ms. Ilyas:** Swimming for aquatics team.

**Mr. Solkovits:** Careers through Culinary arts Programs; is that equipment.?

**Ms. Ilyas:** No. Our culinary arts class is part of an organization that do cooking competitions.

**Mr. Solkovits:** And CE Educational tours. Is that an upfront payment and they're paying you back or?

**Mr. Wood:** No, that was the HBC kids trip to Virginia.

**Mr. Solkovits:** Infinity Communications & Consulting, is that the website?

**Ms. Ilyas & Mr. Wood:** No, that's our e-rate consultant. Whenever we buy devices, because we're a school, we get a discount on them, and they help us file those claims. We've got a lot of student devices, and then we get over \$300,000. They helped us coordinate the e-rate reimbursement that saved us over \$300,000.

**Mr. Solkovits:** Impact Philanthropy Group?

**Ms. Ilyas:** That's mental health services.

**Mr. Solkovits:** Inspired Communications, that's the website?

**Ms. Ilyas:** No. Inspire is a special ed provider for speech.

**Mr. Solkovits:** John Wiley and Sons?

**Ms. Ilyas:** I think those are textbooks.

**Mr. Solkovits:** Jules Seltzer?

**Ms. Ilyas:** That's furniture

**Mr. Solkovits:** Palmer Hamilton LLC?

**Ms. Ilyas:** That's the Duke Design Services.

**Mr. Solkovits:** Power School Holdings.

**Ms. Ilyas:** That is Naviance 35:09.

Gregg Solkovits made a motion to approve September, 2023, Check Registers.

Daniela Lopez-Vargas seconded the motion.

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

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

Ms. Ilyas provided a summary of the credit card charges for September.

**Credit Card Summary**

**Ms. Ilyas:** This is a summary of our credit card charges. We break it out by the vendor, what the charges are for, who's card it was put on, who asked for it, how much and what bucket of money it's coming out of. We put expenses on the card if they can't be paid by a check, and then we also attach the statement as well.

**Mr. Solkovits:** Mr. Wood's card was heavily used this last month. Mr. Hussey's card was minimally used?

**Mr. Wood:** Yes. He was out on his field trip, we didn't have access to his card.

Gregg Solkovits made a motion to approve the September 2023 credit card charges.

Daniela Lopez-Vargas seconded the motion.

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

#### **D. Discussion on the status of the ECRCHS CARES and ESSER Funds**

Mr. Wood and Ilyas gave a joint summary

##### **CARES Act Report**

**Ms. Ilyas & Mr. Wood:** We'll tag team on this one. The chart really shows all the various special funding we've been getting as a result of COVID and CARES Acts. We've tried to list them in spending deadline order. You can see some deadlines that ended September 30th of 2022 through the ultimate one that currently ends September 30th of 2028. We did have a reporting that was due and spending deadlines of September 30th of 2023.

We've spent all monies we received with the spending deadline of September 30th, 2023. We try to focus, to the extent that some of these expenses, the expenditures can go into various or similar grants. We keep our eyes on the spending deadlines. Some of the grant is kind of specific to whether it's music and certain things that aren't provided for by other grants, we take spending and we are currently allocating some of our restricted funding.

This chart kind of shows how much either we are aware of the allocation is, in some cases, the out years, particularly the latest years, we haven't necessarily gotten the funding for these yet, but we've gotten kind of letters suggesting how much the monies will be.

The next column is what we spent it on, and what is left. Some of these do involve a public question.

There has been spending on salaries. We do report spending by resource that would include all the forms, whether it's teachers salaries, classified salaries, benefits, so we can make sure that the organization knows.

This is more of a summary version, but for those that are interested in how much teacher salary or classified salaries are, we do have to break the spending down when we report it to the state, into types of this Resource, as they call it, which has the resource codes on it, we do have to do an accounting of how much should we bring in, and how much should we spend, and kind of what categories of spending did we spend in.

**Mr. Solkovits:** The amount left, \$7,853,259 as of September 30th, how much of that has to be spent at the end of this year, or is that all good through 2026?

**Ms. Ilyas:** So, the ones that you see with the spending deadline of 2024, that's what we have to spend ideally by the end of this year.

**Mr. Solkovits:** So, you've basically taken care of your 2023 spending?

**Mr. Wood:** Correct. Our focus is to make sure, everything else has been equal relative to these grants or funds. That's kind of keeping our eye on the ball, and we have, whether it's an ELO grant-\$124,000, that we still have to spend, it needs to be spent by September 31.

**Mr. Solkovits:** I'm sure you put that into the concept but it's very possible, depending on who gets elected speaker of the house, that they're going to try to sweep some of this money back from the CARES Act, at least that's what I've read.

**Mr. Wood:** I mean, we've been aware of that we may only get half of that at the moment, it's not all guaranteed. We have a spending plan for the arts, music.

**Mr. Solkovits:** Why might you lose half of it? Is it federal money or state money?

**Ms. Ilyas:** It's state money. It was part of the 2022- 2023 state budget and then was up again during the 2023-2024 state budget, and that's where they cut both grants.

**Mr. Solkovits:** So that might be positively affected if indeed it turns out the state has more money than it thinks it has? Because I'm reading that they're actually think they're going to be above this budget projection.

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

**Mr. Wood:** Annually, if there's any changes to be made, we look at our fiscal policies and procedures, making any changes as needed. One of the PDFs kind of shows what the board approved and on November 17, 2022... In the last month, we've been internally looking at and seeing what type of updates if any need to be made to this year's version of the fiscal policies and procedures. Most of changes are somewhat nominal. On page four of the draft, we now have a director of human resources, which we're calling the DHR. So there's a lot of references in the last year's version to human resources and compliance, so we had to kind of change, remove all those references.

**Unknown Speaker:(47:24)** Suggested underlining or highlighting in red where changes were made to the fiscal policies and procedures.

#### **Travel**

On page 18, we changed some words about travel. We changed that to Administrative Director being the one to approve.

#### **Tuition Cost for Non-Teaching Staff**

We also suggested and made some change about tuition costs for non-teaching staff. We changed it that the school does allow us \$700 amount that has to be pre-approved by the HR department. We're recommending the employee must be employed a minimum of one year before they can be eligible for the benefits. This is something that wasn't in the existing document.

**Mr. Solkovits:** Why do you suggest that?

**Mr. Wood:** For someone that just gets hired, they are still in the probationary period, we're not sure if they're necessarily staying. We don't want to pay tuition on someone that

ends up leaving. That's the rationale. And we added another section. Classes must be taken for a grade. We're trying to do this to improve their skills, and they could get a failing grade for a number of reasons, including not attending the course. So to protect the investment, we are preventing the employees from taking another subsidized class for 36 months if they fail. Before, it was... inaudible....12 months or something like that. So that's one of the changes that we did there.

### **Fund Raising**

In Page 32, we did add that section about fundraising, and we added a section because now, since we are doing the ECR royal families. We put in a paragraph about donations or fundraisers secured by parent groups. These will be tracked separately and reported on monthly. Funds will be deposited into a separate trust account, and we will observe the same receipt disbursement procedures for this parent group. Formerly, that would be part of the friends ECR.

### **Bank Reconciliations**

On page 34, with outstanding checks, because of COVID or for whatever reason, sometimes

they are outstanding for more than 90 days. It has been said that having outstanding checks is potentially an indication that we should be cancelling them. But we are constantly researching and we will void them if we come to the conclusion that after, a coach or a referee or something, we make best attempts to make those checks either good or void them. But I think there have been occasions where, the checks have been outstanding for 120 days. We always consider and try to find out if we can contact them, and find out, are out of the country or what condition they are in.

**Mr. Solkovits:** So that's the charter school division's policy?

**Mr. Wood:** It's not their policy. They've taken our FPP policy that says 90, but it also says if we're in the process of researching, it's not as black and white.

**Mr. Solkovits:** Why do we worry about outstanding checks? Does it mess up your accounting?

**Mr. Wood:** It potentially does, and we should reverse the check because it could possibly be in the hands of somebody whom it shouldn't be in. It's just a best practice.

### **Contracts:**

**Mr. Wood:** We updated the bid limit. It's now \$109,300, up from \$99,000.

**Mr. Solkovits:** How does the bid limit work?

**Ms. Ilyas:** If a job is over \$109,300- usually the public contract code sets that number, then you have to go out for a bid. You have to do an RFP.

**Mr. Solkovits (continued):** I don't know why you wouldn't put stuff out to bidders as early as like \$50,000. \$109,300 is an awful big amount to do.

**Ms. Ilyas:** Usually as a practice, we solicit 3 quotes when we make a large purchase just so we can compare pricing.

**Mr. Solkovits (continued):** I'm uncomfortable with putting no bids. And you only solicit 3 quotes.

**Mr. Wood:** This is just for the public code. But we also have the school's codes of \$50,000 or more.

**Daniela Lopez-Vargas:** Should we add those changes minus "obtain a minimum three quotes for bids from vendors," below that Annual Bid limit bullet point?

**Mr wood & Ms.Ilya:** Yes

**Ms. Ilyas:** I think the only time that wouldn't happen is on textbooks.

**Mr. Solkovits:** We don't need the bids when buying textbooks?

**Ms. Ilyas:** It's sole sourced.

Gregg Solkovits made a motion to Approve of ECRCHS's Fiscal Policies and Procedures contingent to change in language under Contracts section.

Daniela Lopez-Vargas seconded the motion.

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

## **V. Closing Items**

### **A. Adjourn Meeting**

Gregg Solkovits made a motion to Adjourn Meeting.

Daniela Lopez-Vargas seconded the motion.

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 5:38 PM.

Respectfully Submitted,  
Ryan Guinto