

APPROVED



El Camino Real Charter High School

Minutes

Finance and Investment Board meeting

February 2024 Finance and Investment Board meeting

Date and Time

Thursday February 15, 2024 at 5:30 PM

Location

El Camino Real Charter High School - (Principal's Conference Room)

5440 Valley Circle Woodland Hills CA 91367

Meeting can also be seen and heard at:

North Campus - 7401 Shoup Ave. West Hills CA 91307

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

Committee Members Absent

Gregg Solkovits

Guests Present

Ryan Guinto

I. Opening Items

A. Call the Meeting to Order

Daniela Lopez-Vargas called a meeting of the Finance and Investment Committee of El Camino Real Charter High School to order on Thursday Feb 15, 2024 at 5:42 PM.

B. Record Attendance and Guests

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

Ryan Guinto Board members and guests in the Pledge of Allegiance to the United States of America (USA).

D. Public Comments

There were no public comments.

E. CBO Report

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

Fiscals Reports: Regarding fiscal reports, he mentioned that they are being issued based on the governor's mid-year estimate which is projecting a 0.67. He noted that for the next year, COLA will be paying for of the funding from rainy day funds. Additionally, recent reports suggest a significant decrease in revenue, with the school district proposing a 5.8% budget cut for next year.

Second Interim Report: He also discussed the second interim financial report, which provides updated projections through the end of the year using actual information as of January. The deadline for this report was extended to February 26th.

Charter Division Visit: Mr. Wood mentioned an upcoming Charter visit from the school division for their annual fiscal and operational/instructional review on February 29th and March 1st. He highlighted increased oversight this year compared to previous years.

LCAP Update: Lastly, he mentioned an LCAP update that needs to be presented to the full board. Minita Clark will lead on this, incorporating budgetary information, with the presentation scheduled for the upcoming board meeting.

II. Consent

A. Approve Minutes of December 11, 2023, Finance and Investment Committee Meeting

Alexandra Ramirez made a motion to approve the minutes from Finance and Investment Board meeting on 12-11-23.

Daniela Lopez-Vargas seconded the motion.

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

B.

Approve Minutes of January 18, 2024, Finance and Investment Committee Meeting

Alexandra Ramirez made a motion to approve the minutes from Finance and Investment Board meeting on 01-18-24.

Daniela Lopez-Vargas seconded the motion.

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

III. Investment

A. Investment Update

January 2023, Investment Update with the following highlights:

OPEB Account: Mr. Wood provided an update on the OPEB account, stating that as of the end of January, it stood at \$28.3 million, up from \$25.3 million at the beginning of the school year. Over the past four months, payments totaling \$203,000 have been made from the account, averaging about \$50,000 per month.

Additionally, a monthly contribution with the \$220,000 is being maintained. The overall gains or losses on investments amount to \$1.65 million, reflecting a 6.5% increase since July 1st. The total account, including investments and contributions, has seen a healthy increase of 11.8%. As of the current update, the account has further increased to \$28.6 million, indicating an additional \$600,000 gain without factoring in the monthly contribution. Mr. Wood noted that the account continues to perform better than anticipated.

General Account: It was at \$7.4 million. It's up like \$6,000. So the actual regular investment, US bank investments is up \$10,000. So combined portfolio is at \$35.7 million. It's continuing to perform.

Beacon Pointe Report: Within the portfolio they're looking at no major changes. They are just looking at possible components of the Beacon Pointe, to react to potential market trends. So it's also looking good.

General Account: Mr. Wood provided an update on the General Account, stating that it was at \$7.4 million, showing an increase of \$6,000. Specifically, the regular investment in US bank investments saw an increase of \$10,000. When combined, the total portfolio now stands at \$35.7 million, with continuous positive performance.

Beacon Pointe Report: Regarding the Beacon Pointe Report, Mr. Wood mentioned that there are no major changes within the portfolio. They are examining potential components of the peaking point of the OPEB account to react to potential market trends, indicating positive prospects in this area as well.

IV. Finance

A. January 2024 Financial Update

Mr. Gregory Wood, CBO, and Ms. Arleta Ilyas, Director, Accounting and Finance, presented the January 2024, Financial Update.

Cafeteria Update: Ms. Ilyas provided an update on the cafeteria's financials, noting that in January, approximately 23,000 meals were served, representing a 5.6% decrease compared to the previous year, partly due to having less kids.

Revenue amounted to about \$106,000, while expenses totaled approximately \$89,000. She mentioned that further discussion regarding the purchase of equipment using these funds would be held later in the meeting. As January's financials are being finalized, additional updates will be provided in the future.

B. Discussion and Vote to Recommend to the Full Board Approval of the January 2024, Check Registers

Ms. Ilyas

ASB Check Register: Ms. Ilyas provided updates on the ASB account's check register, detailing expenses paid from various trust accounts for sports, clubs, and after-school teams. This allowed attendees to review purchases, their purposes, and the associated trust accounts.

ASB Trust Balances: She then discussed the ASB trust balances as of January, mentioning the successful transfer of funds from the Class of 2023 to both the Class of 2024 and 2025, as per the student council's decision.

Mr. Wood added insights on the CSF trust balance, noting its growth and discussions with the CSF advisor regarding the surplus. Plans include creating scholarships to prevent excessive accumulation of funds..

Ms. Ramirez inquired about further discussions regarding the surplus funds. Ms. Ilyas responded, stating that while funds for sports teams are often used up, conversations have occurred with certain club-type teams. She mentioned that the CSF had the largest carryover balance, and there was also a surplus in the student council account at one point. However, both organizations have been increasing their event and activity participation, leading to a reduction in their balances over time.

Mr. Wood discussed another aspect regarding the Brett Schmidt account, which originated from the Friends of the ECR. He explained that this account was established to manage short-term payments. Upon its transfer to the school, it was deposited into the ASB trust account, where it was previously invested by the booster club at a rate of approximately a quarter of a percent. Currently, the account holds around \$54,000, which was previously earmarked.

The long-term plan involves ensuring the funds in the trust account sustain operations until June, covering expenses such as scholarships and certain operating costs. Any surplus, if not allocated for scholarships, will likely be invested in interventions for the wellness center. The discussion aims to determine the portion of the growing \$54,000

that should be returned to the trust account. Around \$50,000 may be rolled over into a CD to continue earning interest in the following year.

Check Register: Ms. Ilyas continued by discussing the checking account register for January, highlighting that it outlines who the payments were made to, the purpose of the expenses, and which budget category they were allocated from. She noted that approximately \$794,000 worth of checks were issued during that month. Alexandra raised a question regarding roofing project highlighted in the register, asking if RFPs had been issued for them. **Mr. Wood responded, mentioning that there were bidding opportunities for roofing projects, particularly for the T Building/Building T that is appearing in the register.**

Vendor YTD: Ms. Ilyas then proceeded to discuss the Vendor Year-to-Date (YTD) report, stating that as of January, the total amount paid to vendors through the checking accounts was \$13,954,218.

General Register: Following that, she introduced the General Register, which primarily includes three types of payments: OPEB payment and health benefits.

Mr. Wood elaborated that while worker compensation is a component of CharterSafe's insurance program, the majority of the program encompasses general insurance. He explained the shift in tracking, where the OPEB payment is now recorded separately. This was done to highlight the classified expense for the self-insured schools of California, with \$346,599 allocated for active members. Ms. Lopez-Vargas inquired about Project IQ and Ms. Ilyas responded by explaining that Project IQ was a development by Fernando, focusing on either enrollment or attendance. She mentioned that according to the description, it was associated with reviving the EOP project.

Mr. Wood elaborated further, stating that the expense was designated for the ESSER. He clarified that Project IQ involved a system related to enrollment, consisting of two aspects: acquiring tools to enhance enrollment externally, and another internal component aimed at assisting with various tasks.

Daniela Lopez-Vargas made a motion to approve January 2024, check registers.

Alexandra Ramirez seconded the motion.

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

C. Discussion and Vote to Recommend to the Full Board Approval of the January 2024, Credit Card Charges.

Ms. Ilyas presented the credit card expenses for January, noting that there were only a few expenses and additions for the month.

An unidentified speaker raised a question regarding the payment for transcription services for meeting minutes, questioning the level of detail required in the minutes.

Mr. Guinto responded, explaining that he had been searching for someone who could summarize the minutes due to the extensive content discussed during meetings. He attempted to summarize them himself initially but found it too time-consuming, as he couldn't dedicate the same amount of time as the board meetings themselves. Therefore, he opted to outsource the task. While he continues to seek a more efficient solution, the current transcription service he found at least highlights the main topics of discussion, as opposed to providing a verbatim transcription.

Alexandra Ramirez made a motion to approve the January 2024, Credit Card Charges.

Daniela Lopez-Vargas seconded the motion.

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

D. Approve Cafeteria Equipment Proposal

Cafeteria Equipment.

Mr. Wood presented the executive summary for the Cafeteria Equipment Proposal, emphasizing the importance of utilizing funds from the historic cafeteria balance and current operations for cafeteria-related equipment and supplies.

Chartwell assisted in identifying equipment to improve efficiency, and two vendors were considered: Bargreen Ellison, a familiar vendor from previous projects, and Southwest Supply, a new vendor from Arizona offering comparable equipment.

Bargreen quoted seven items, while Southwest quoted six, with a distinction in how they priced two separate ovens. Bargreen's overall quote was \$4,000 cheaper. Therefore, Mr. Wood recommended selecting Bargreen, whose quote amounted to \$77,323 before tax and freight.

He noted that while freight costs might be slightly higher for Bargreen, the savings outweighed any potential difference. Further details and images of the proposed equipment were available in subsequent slides for review.

Top of Form

In response to a question on whether both companies were providing the same items and models, Mr. Wood responded affirmatively, stating that both vendors were offering identical items in terms of size and model. He emphasized that the quotes were comparable, if not identical, and represented an apples-to-apples comparison.

Mr. Wood mentioned his collaboration with Chartwell, the food service company, to ensure the comparability of the quotes. He further noted that Bargreen had been utilized in the past, and even mentioned an order that will be delivering soon. Given this, he recommended accepting the Bargreen quote.

An attendee sought clarification on whether the proposal would also be presented to the Board, and Mr. Wood confirmed, stating that it would indeed be presented to the Board for consideration.

Alexandra Ramirez made a motion to Recommend to the full Board the approval of Cafeteria Equipment Proposal.

Daniela Lopez-Vargas seconded the motion.

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

V. School Business

A. Discussion and Vote to Recommend 2024-2025 Budget Planning Process and Calendar

Mr. Gregory Wood, CBO, and Ms. Arleta Ilyas, Director, Accounting and Finance, will lead the discussion on 2024-2025 Budget Planning with a proposed Budget Calendar.

Ms. Ilyas presented the proposed budget calendar, outlining the various actions and dates involved in the budget development process. The current meeting's date was marked as the date for recommendation for the budget calendar, with subsequent dates indicating when the budget would be presented to the board and when departments could commence their development.

Additionally, the calendar included dates for soliciting input from stakeholders such as teachers and parent groups. Ms. Ilyas noted that the due dates for departments and the administrative team were also included in the calendar, and these dates were confirmed with Dr. Clark.

Mr. Wood added that a significant change in the budget calendar over the past couple of years has been the inclusion of a focus on materials and textbooks at the beginning of the process. This prioritization ensures that necessary resources are identified before any revisions or updates are made to the budget. The goal is to establish placeholders for textbooks and instructional materials early on.

He emphasized the importance of finalizing recommendations for textbooks and instructional materials by April 18th. This would allow them to prioritize and present their recommendations at the April meeting. By doing so, they aim to be well-prepared before the end of the school year, ensuring that decisions are made before teachers leave for the summer break.

The full budget is typically approved in June, coinciding with graduation ceremonies. Therefore, the objective is to identify priority textbooks and materials beforehand, enabling the Finance Committee and the Board to review and provide input on these crucial resources.

Ms. Ilyas emphasized the importance of the early textbook prioritization process, particularly for department chairs, as it provides them with sufficient lead time to place

orders. This ensures that textbooks arrive before the start of the school year and can be properly barcoded into the system prior to distribution to students. This proactive approach helps streamline the process and ensures that students receive their textbooks in a timely manner.

Alexandra Ramirez made a motion to Recommend 2024-2025 Budget Planning Process and Calendar.

Daniela Lopez-Vargas seconded the motion.

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

VI. Closing Items

A. Adjourn Meeting

Alexandra Ramirez 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 6:21 PM.

Respectfully Submitted,
Ryan Guinto