

APPROVED



El Camino Real Charter High School

Minutes

Finance and Investment Board meeting

April 2024 Finance and Investment Board meeting

Date and Time

Thursday April 18, 2024 at 5:30 PM

Location

El Camino Real Charter High School - Media Center

5440 Valley Circle Woodland Hills Ca 91467

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 Apr 18, 2024 at 5:48 PM.

B. Record Attendance and Guests

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

Mr. Hussey led the 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, presented the CBO Report to the Committee highlighting the following:

P2 Attendance Report: The school is in the midst of reporting various items as the academic year approaches its end. The most significant report is the P2 attendance report, covering eight months of instruction, which is due this month. By the next board meeting, Mr. Wood will hopefully have an understanding of the Average Daily Attendance (ADA) the school will be funded at for the current year.

Medical premiums: The school has received the medical rates for the premium year starting from October 1st, 2024, through September 30th, 2025. The increase in rates is estimated to be between 4.7% - 5.3%. This information will expedite the actuarial study, which will also take into account the OPEB balance to determine if it's fully funded.

Bus Services and Security Proposals: The school is actively working on requesting proposals for larger contracts such as transportation and security. An RFP has been issued for bus services.

The school is currently evaluating security options. One security firm recently terminated their contract with the school, and the school is currently using the backup firm. Plans to put the full outside security contract up for proposal to ensure adequate security measures are in place are underway.

II. Consent

A. Approve Minutes of the March 14th, 2024, Finance and Investment Committee Meeting

Daniela Lopez-Vargas made a motion to approve the minutes from Finance and Investment Board meeting on 03-14-24.

Alexandra Ramirez seconded the motion.

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

III. Investment

A. March 2024 Investment Update

Mr. Gregory Wood, CBO, presented the March, 2024, Investment Update.

OPEB account: The materials included a month-by-month tracking of the OPEB account. Despite March not being a strong month in terms of investment returns, the balance at the end of February was \$29.1 million, increasing to \$29.9 million by the end of March. However, due to declining market conditions, the balance has decreased by about \$900,000 as of the current date, bringing it to \$28.9 million. This balance does not include the monthly contributions of \$220,000.

Despite the recent market fluctuations, the account still shows gains of \$2.9 million in addition to year-to-date contributions totaling \$2 million. Additionally, OPEB payments have amounted to \$300,000. Overall, the account continues to trend positively, demonstrating stability and growth.

General Account: The general account is at \$7.5 million, bringing the total investments to approximately \$37.4 million by the end of March. This demonstrates positive growth as the year progresses.

Beacon Pointe highlights: Mr. Wood provided insights into the market performance. The S&P 500 showed a significant increase of 10.6% in the first quarter of 2024, marking the best first quarter performance in five years. Comparatively, our investments for the same quarter is up about 5% and 15.5% year-to-date, surpassing the benchmark of 14%. These figures indicate favorable growth and performance in our investments.

Mr. Wood explained that on page 5 of Beacon Pointe's report included in the material, there was a breakdown of the \$29.9 million investment portfolio, showing the allocation percentages for different investment types. It also compares these allocations to our policy, indicating that they are closely aligned. Most of the investments are within 1% of the policy or fall within the established range.

Similarly, page 6 of the report outlined the details of the General investment fund, which amounts to \$6.7 million. It presented a breakdown of investments across five categories, along with their current allocations. Like the previous page, it compared these allocations to the policy, showing that they all fall within the established ranges as approved by the Board.

IV. Finance

A. March 2024 Financial Update

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

Cafeteria Update: Ms. Ilyas reported that in March, the cafeteria served a total of 35,000 meals, which is slightly lower than usual due to spring break. Comparing this to last year, there's been a decrease of approximately 5.5% in meal servings. However, despite this decrease, the cafeteria generated revenue of \$156,515. The total expenses incurred for the month amounted to \$131,134. After accounting for all expenses, the cafeteria achieved a profit of \$25,381 for the month.

Mr. Wood provided additional context regarding the cafeteria's financial status. He reminded the attendees that they are still building the fund balance for the cafeteria and have a pending purchase of equipment worth \$77,000, which was approved a couple of months ago. They are working to get this equipment from their vendor. Additionally, Mr. Wood noted an issue with the food service system, which was not accurately reporting numbers. While it was previously reported as a little over 550, the actual number of meals served was 1,066, indicating a reduction of about 34%. This discrepancy has implications for funding in other areas.

CARES Act update: Ms. Ilyas reported that they had just filed the Spring quarter report for their COVID related funds, including all the ESSER related money. She explained that stakeholders could observe the allocation, expenditures year to date, and the remaining balance. Ms. Ilyas highlighted that they were facing the expiration of three ESSER grants by September 30th, 2024, namely ESSER III, ESSER III Learning Loss, and ESSER III State Reserve. These grants needed to be utilized before the specified deadline. She explained that the other grants listed at the bottom had a deadline extending until 2026.

Ms. Vargas inquired whether these expiring funds had already been allocated, to which Ms. Ilyas replied that some of it was allocated towards their RISE program - summer school.

Attendance update: Ms. Ilyas gave attendance update for month seven. She shared the current March enrollment, indicating it was at a total of 3,098 students. Additionally, she mentioned that the ADA was at 2,095 based on the March data, highlighting a comparison with the previous year's figures, where the school had 3,400 students and an ADA of 3,097.

B. Discuss and Vote to Recommend to the Full Board Approval of the March, 2024, Check Registers

General account: Ms. Ilyas explained that this register covers payments made for recurring items such as OPEB funding, health benefits, and payroll deductions.

Checking account: This register details payments made for various invoices, totaling \$841,168 for the month of March.

Vendor YTD: She reported that the Vendor YTD report summarizes expenditures with vendors as of the end of March.

Mr. Wood added that the expenditures covered about \$1.7 million in March and \$17.2 million YTD.

ASB Trust balances: The balances of ASB trusts from all clubs and teams were shown as of the end of March.

Additionally, there was a query regarding the deficit in the tennis club, to which Ms. Ilyas responded that the tennis coach would provide collected checks from team members to address the deficit.

Alexandra Ramirez made a motion to Recommend to the full board the approval of the March, 2024, Check Registers.

Daniela Lopez-Vargas seconded the motion.

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

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

Ms. Ilyas presented the breakdown of the credit card statement for March, detailing the charges, requestors, funding sources, and a total expenditure of \$29,150.

Regarding the \$1,000 credit appearing on the statement, she clarified that it was a deposit for rented bins, which was to be refunded. When questioned about a related \$-500 charge for disposal and recycling, she confirmed it was indeed connected to the same transaction and explained that the other half of the charge would also be visible on the statement.

Alexandra Ramirez made a motion to Recommend to the Full Board Approval of the March, 2024, Credit Card Charges.

Daniela Lopez-Vargas seconded the motion.

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

D. Discuss and Vote to Recommend to the Full Board Approval of the 24-25 Textbook Budget

Ms. Ilyas provided an overview of the textbook budget for the 2024-2025 academic year, detailing requests received from various departments. She highlighted recent requests from the Career Vocational Arts and World Languages departments, amounting to \$8,070 and \$18,000, respectively.

Mr. Hussey emphasized the need for comprehensive plans, particularly regarding the \$54,000 allocation for new novels in the English department. He advocated for ensuring diversity and requested detailed curriculum maps before approving the purchase.

Regarding mathematics, Mr. Hussey explained that while they had initially planned to purchase books, the ongoing changes to the math framework led to hesitation. He proposed approving only \$50,000 of the \$330,000 budget for math books, allowing for piloting during the year.

Mr. Wood supported this approach, and reflected on the previous year's budget, noting that \$220,000 had been allocated for textbooks across two out of three subject areas, with approximately \$110,000 designated for each. However, due to uncertainties surrounding the math framework and other factors outlined by Mr. Hussey, none of this allocation was utilized. Considering this, Mr. Wood proposed a cautious approach for the upcoming year.

He suggested refraining from upfront allocation of a large sum for textbooks before the framework is established. Instead, he recommended placing the requests in a "parking lot" until clarity is attained. Once the framework is set and specific book needs are identified, the board could revisit the allocation, ensuring a more informed and strategic use of funds.

Ms. Daniela inquired about updating the document with the recommended amounts for the full Board meeting, to which Mr. Wood and Ms. Ilyas confirmed updates will be done before it's presented to the Board.

Mr. Hussey clarified that the intention wasn't to deny the math department the opportunity to purchase new textbooks but rather to ensure they acquire the right materials to enhance the math department effectively.

Ms. Daniela inquired whether all textbooks were hard copies, to which an attendee responded affirmatively, explaining that purchasing hardback books with accompanying digital resources is more cost-effective than purchasing standalone digital versions.

Mr. Wood elaborated, mentioning that while the first three line items for the English department were digital subscriptions, the amounts for these subscriptions were locked in for the second year of a six-year contract renewal, ensuring consistent tracking. He noted that any hard copy purchases would be accounted for as digital textbooks as well.

After discussions on which amounts and textbooks to recommend for approval, The Board collectively agreed to make adjustments which will then be presented and recommended to the Full Board.

Alexandra Ramirez made a motion to Recommend to the Full Board Approval of the total amount of \$328,774 for the 24-25 Textbook Budget.

Daniela Lopez-Vargas seconded the motion.

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

E. Discuss and Vote to Recommend to the Full Board Approval of the 2022-2023 ECRCHS Tax Returns

Mr. Wood updated the Board on the status of the tax returns, noting that the school had received an extension until May 15th. Included in the materials was a draft of the tax return, with information derived from the audit report filed by the auditors.

He highlighted Item 11A, confirming that the organization had provided a complete copy of Form 990 to all members of the governing body before filing the form, as per past practice.

However, Mr. Wood noted a discrepancy in the compensation page, where some teachers were mistakenly identified as key employees instead of just being listed as highly compensated individuals. He assured the Board that there were no material changes other than this error.

Additionally, he mentioned other items in the report that outlined the school's largest vendors.

Ms. Daniela brought up a mistake regarding Golden Star Technology Inc being listed as providing legal services, which Mr. Wood acknowledged and agreed to correct, clarifying that they actually provided devices, not legal services.

Top of Form
Alexandra Ramirez made a motion to Recommend to the Full Board Approval of the 2022-2023 ECRCHS Tax Returns.

Daniela Lopez-Vargas seconded the motion.

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

V. School Business

A. Discuss and Vote to Recommend to the Full Board Approval of the Proposed 3-Year Cyber High Contract for Alternative Education

Mr. Hussey announced the decision not to engage in a three-year contract with Cyber High and instead opt for another company.

B. Discuss and Vote to Recommend to the Full Board Approval of the Proposed 3-Year Contract for Department of Rehabilitation We Can Work

Mr. Hussey explained that the "We Can Work" program is a three-year contract providing funding for 17 students with special needs, offering them 100 hours of paid work experience either on campus or in the community.

Additionally, it provides approximately 20% reimbursement to the program overseer. Currently, 11 students are placed at locations such as Advance Auto Parts, Walgreens, and Joann Fabrics.

In response to a question from Ms. Daniela about whether this program is accounted for in CALPADS for the college career indicator, Mr. Hussey clarified that it falls under electives.

Alexandra Ramirez made a motion to Recommend to the Full Board Approval of the Proposed 3-Year Contract for Department of Rehabilitation We Can Work.

Daniela Lopez-Vargas seconded the motion.

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

C. Discussion on RFP Bid Award for Video Wall System for the Media Center and Gymnasium

Mr. Guinto provided an update on the Media Center project, noting that it is nearing completion after experiencing delays in obtaining materials. He shared that the AV system for the Media Center was part of the pre-approved budget for the current school year's capitalization projects.

For transparency purposes and because the amounts exceed \$50,000, he disclosed the winning bid for the AV system, which was awarded to STS Education after receiving bids from four companies including GSD, Bliss Media, and Sonic Fidelity.

The AV system includes a video wall to be mounted in the Media Center, serving multiple purposes such as displaying content during board meetings. The chosen solution is a Samsung video wall measuring 219 inches diagonally, providing ample visibility for the audience. The package also includes a speaker system to accommodate audio needs for the entire space.

The total cost for the AV system, including installation, is \$105,860. Comparatively, other bids ranged from \$114,000 to \$137,000 without the full package - audio and video, making STS Education the most cost-effective option for the project.

Ms. Daniela inquired about the installation timeline for the AV system, to which Mr. Guinto responded that the project, along with the other one on the agenda, is scheduled to be completed during the summer to minimize disruption to classes.

For comparison, **Mr. Guinto** explained that the current display is 75 inches, while the new system will be three times larger, covering about 75% of the wall. The system can be utilized with a laptop or any media device, offering versatility in its use. He highlighted that the size is comparable to using a projector but with improved clarity, as projectors tend to dim over time. Additionally, explained that the system allows for easy replacement of individual panels if needed, ensuring efficient and easy maintenance.

D. Discussion on RFP Bid Award for the Audio System for Gymnasium and Football Field

Mr. Guinto explained that Sonic Fidelity won the bid for the audio system for both the gymnasium and the football field. They received three bids for each location. Vendors submitted their bids based on the design provided by L. ACOUSTICS. The chosen company's products are known for being used in large events and are designed to withstand harsh weather conditions.

A decision was made to forgo a particular design that Mr. Guinto shared by displaying it on the screen, which was intended for the library, due to its high cost and the perception that the space wouldn't be utilized as intended. Instead, they will be replacing the existing horns on the polls in the gymnasium and football stadium with speakers facing both the field side and the bleachers.

Mr. Hussey highlighted the importance of the audio system upgrade not only for athletic events but also for emergency communication, addressing concerns raised by the safety committee regarding the lack of a reliable communication system during emergencies, especially on the far side of the field.

Mr. Guinto provided an update on the budget for the ongoing projects. For the media center, although current expenditures may seem higher, they are within the approved budget of \$178,400. For the gymnasium and stadium projects, the total budget was \$872,000, and the current expenditure, including both projects, stands at \$313,000. These projects are scheduled to be completed during the summer, along with other planned capitalization, technology, and facilities maintenance projects.

Mr. Guinto informed the finance committee that they were being briefed on this update to facilitate the process of awarding the bid to the vendor and to establish a timeline for equipment delivery.

Additionally, Mr. Guinto mentioned that other summer projects, including capitalization, technology, and facilities maintenance, are being lined up and will be reported on at a later time.

VI. Closing Items

A. Adjourn Meeting

Alexandra Ramirez made a motion to Adjourn the 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 6:45 PM.

Respectfully Submitted,
Ryan Guinto